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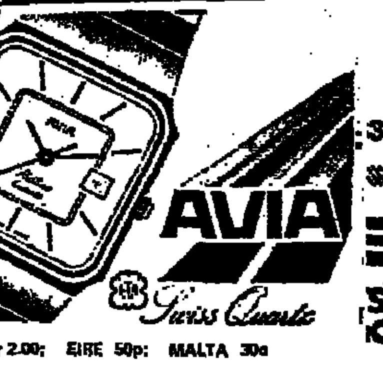
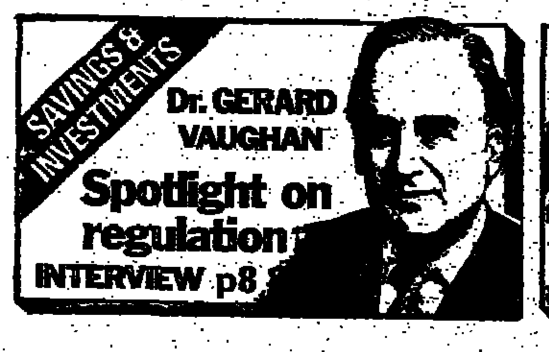
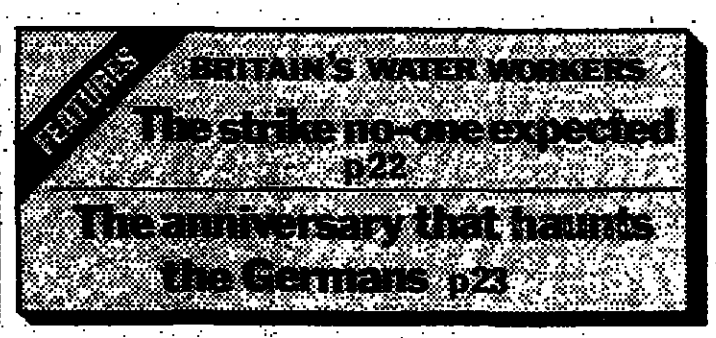
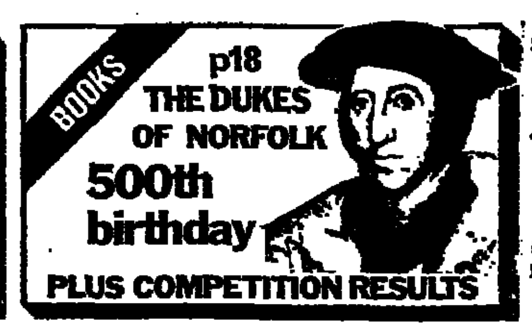








NEWS SUMMARY

GENERAL

Gandhi Cabinet set for upheaval

Indian Premier Indira Gandhi has cleared the way for major changes in her government after suffering defeats in two state elections.

She has obtained resignations from most of her 60 ministers, giving her a free hand in forming a new Cabinet.

Defeats in the southern states of Andhra Pradesh and Karnakata, both former strongholds of her Congress (I) Party, were interpreted as a rejection of her style of government. She faces more state elections next months. Back Page

Tory clash

Conservative backbenchers are on a collision course with the Government over a Bill to make nationalised industries accountable to parliament for spending. Page 4

Maze bullets find

Ten live bullets were found in one of the H-blocks occupied by Loyalists in Northern Ireland's top-security Maze prison.

Priests moved

Three Catholic priests who have spoken out against terrorism are being moved from Belfast to rural parishes by their bishop.

Irish votes

British people living in the Irish Republic will soon get full voting rights in Irish elections, said deputy premier Dick Spring.

Harare denial

Zimbabwe Government described as "rubbish" claims by opposition leader Joshua Nkomo that 95 innocent civilians had been killed by troops hunting dissidents in Matabeleland. Page 2

£1,000 reward

Scotland Yard offered a £1,000 reward for information leading to the capture of David Martin, the first reward offered for the capture of a fugitive since 1966.

U.S. storm havoc

Four Californian counties were declared disaster areas after storms pounded the U.S. West Coast. Meanwhile, mild Arctic weather has curtailed UK commando training in Norway. World Weather, Back Page

Opera grant

Scottish Opera has been granted £2.78m by the Scottish Arts Council, but will have to cut tours and cancel production of its showpiece, Verdi's Don Carlos.

Summit meeting

A Japanese couple plan to climb Everest by separate routes and meet on the top on Christmas Day.

Briefly . . .

Newcastle SDP councillor defected back to Labour.

Prescription charges go up 10p to £1.40 on April 1. Page 4

Billy Fury, pop singer, died aged 42.

Frank Forde, Australian premier for a week in 1945, *died aged 92.*

BUSINESS

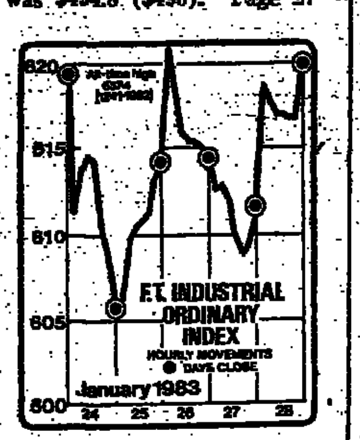
Offshore life probe by DoT

● OVERSEAS Financial Services, UK agent for Victoria Life Assurance Company is under investigation by Department of Trade, Minister of State for Consumer Affairs Dr Gerard Vaughan is to announce today. Offshore life companies face firm controls of their activities. Back Page

● STERLING fell 15 points to 1.536, a record closing low. However, it rose to DM 3.7375 (DM 3.73), FFr 10.585 (FFr 10.5525), SwFr 3.055 (SwFr 3.0525) and Y363 (Y361.5). Its trade-weighted index was 80.9 (81.1). Page 27

● DOLLAR rose to DM 2.431 (DM 2.425), FFr 6.8925 (FFr 6.8675), SwFr 1.9875 (SwFr 1.985) and Y236.25 (Y235.1). Its trade-weighted index was 120.1 (120.3). Page 27

● GOLD fell \$½ to \$494½ in London. In New York the Comex February settlement was \$494.8 (\$496). Page 27



● EQUITIES advanced. The FT Industrial Ordinary index closed 8.4 up at 620, the day's best. Page 30

● GILTS improved with selected maturities at both ends of the market gaining up to ½. Page 30

● WALL STREET was up 1.1 to 1,064.75 near the close. Page 26

● JAPAN moved towards accepting European demands that it restrain manufactured goods exports. Page 2

● RENAULT workers voted to end a strike which has cost the French motor giant an estimated 26,000 cars in lost production. Page 2

● LEYLAND BUS, BL subsidiary, is to close its Bristol Commercial Vehicles plant, axeing all 530 jobs. Back Page

● JOHN HAIG is to close its whisky plant at Markinch, Fife, with loss of 340 jobs. Metal Box and Staveley Industries are also cutting jobs. Page 3

● VANTONA, textiles group, threatened to call off proposed £16m merger with Carrington Viyella. Page 24

● GHR ENERGY Corp., private U.S. energy company, filed for protection under U.S. bankruptcy code. Page 29

● McDONNELL DOUGLAS Corp, U.S. aerospace company, raised net earnings from \$175.6m to \$214.7m (£139.8m) last year. Page 29

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			
Treas 12½pc '86 Cv	£106¼	+	½
Treas 7¾pc '12-15	£72¾	+	½
Audiotronic	34	+	4
Berisfords	80	+	8
British Printing	105	+	8
Burton	298	+	16
Centreway Inds	130	+	10
Erskine House	131	+	22
Firth (G. M.)	225	+	20
Fleet Hldgs	48	+	4
Fobel Intnl	124	+	9
GEC	198	+	8
Green (R.)	132	+	17
GKN	133	+	7
Helene of London	29	+	5½
ICI	398	+	26
Leisuretime Int	144	+	9
London Liverpool	533	+	28
Office Electronic	305	+	30
Pavilion	29	+	9
Petbow	38	+	5
Polly Peck	£34	+	4
Rexmore	27	+	7
Riley Leisure	160	+	12
Somportex	40	+	8
Sumrie	62	+	14
Wearwell	104	+	8
Carless Capel	148	+	13
Hadson Pet	58	+	10
Marinex	55	+	15
Acorn Securities	76	+	12
Emperor Mines	180	+	20
Gld Mns Kalgoorlie	748	+	28
Meekatharra	178	+	18
Mid East Minerals	32	+	6
Otter Exploration	55	+	7
Samson Exploration	48	+	6
FALLS			
Bassett Foods	61	−	4
Carr Boyd	138	−	6
Pako-Wallsend	426	−	10

Water workers 'could be offered extra 2%'

BY PHILIP BASSETT, GARETH GRIFFITHS AND PETER RIDDELL

GOVERNMENT officials believe that water authorities might be able to fund a further 2-3 per cent increase on top of the 16-month pay offer of 7.3 per cent already made to water workers.

There were no indications last night, however, that the employers share this view. They insisted that they will not raise the offer when the unions reject it today.

Sir Terence Beckett, Director General of the Confederation of British Industry, warned yesterday that continuance of the strike would put more manufacturing jobs at risk.

According to CBI regional offices, industry has cut back on water consumption but this has not yet resulted in production cutbacks or closures.

The first serious impact could be on agriculture, where livestock, dairy and horticultural farming depend a great deal on water supplies.

There was a sharp rise yesterday from 10,500 to 14,500, in the number of properties without mains water. About 40,000 people are affected, and about 5.7m are being advised to boil tapwater before use.

Leaders of the industry's 29,000 manual workers will today endorse the clear rejection of the 7.3 per cent offer shown by membership voting in a consultation exercise.

All regions of the General, Municipal and Boilermarkers Union have rejected the offer.

In the London area the vote against was 6-1, while in the West Midlands delegates representing about 3,000 members turned the offer down by 40 votes to 1.

Voting in the second-largest union, the National Union of Public Employees, was even more dramatic. Members in the Severn-Trent water authority, for instance, rejected it by 1,240 votes to 29, and those in the South-East by 1,134 to 166.

Other rejections included the *North-West (776 to 15)* and Wales (964 to 38).

The third union, the Transport and General Workers', has also recorded an overwhelming rejection of the offer.

Employers believe that the criticisms of an earlier GMBU ballot by Mr Norman Tebbit, Employment Secretary, may have tipped marginal or finely-balanced votes towards rejection. Some Ministers believe his intervention may have increased union intransigence and, therefore, made a quick settlement more difficult.

Union officials will use the decisive rejection of the offer as an argument that the employers should reconsider their position.

While Ministers hope the dispute will be settled at a level close to the current offer, they feel that the employers are free to increase the figure if they wish — though no central Government money will be available to fund it.

Whitehall officials believe the employers have a margin of manoeuvre as a result of recent efficiency improvements. This might allow 2-3 per cent above the current offer, though any other money would have to be raised *from* higher water rates.

Employers believe there is little scope, though, for improvements in earnings from the industry's current productivity scheme, and that other administrative changes would also only yield marginal and not uniformly national rises.

The employers are deter-

Continued on Back Page

CBI warns of effects on jobs, Page 4; The strike no one expected, Page 22

BP likely to delay move for N. Sea oil price cut

BY RAY DAFTER, ENERGY EDITOR

BRITISH PETROLEUM is expected to delay its bid for a reduction in North Sea oil prices.

Company officials fear that a price cut now could trigger a major collapse of the world oil market. Although they were poised to ask British National Oil Corporation — the major North Sea trader—for a reduction of \$1 to \$2 a barrel from Tuesday, they have now, apparently, decided to wait for a Middle East pricing movement.

Consequently, world oil prices remain in limbo, with each major producing area—inside and outside the Organisation of Petroleum Exporting Countries —waiting for the other to make the first move. Sheikh Ali Khalifa al Sabah, the Kuwaiti Oil Minister, has indicated that Arab producers might wait another week or so before taking a decision on prices.

BP told BNOC earlier this month that it would agree to a continuation of the \$33.50 a barrel reference price beyond February 1 only on condition there was a significant improvement in the world oil market. Since then prices have weakened, helped along by the abortive Opec meeting at the weekend and remarks by Sheikh Ahmed Zaki Yamani, the Saudi Arabian Oil Minister, that North Sea prices would fall \$2 to \$3 in a few days.

The spot market price of Forties oil—the North Sea reference crude—was yesterday quoted at between \$29.50 and \$29.80 a barrel. Although this was up slightly on prices of the previous two days, but it was more than a dollar below the spot rate at the start of the week. It was clear in the free-trading spot market yesterday that buyers were reluctant to conclude deals because of the possibility that contract prices—and spot rates—would eventually slide.

Mr Peter Walters, chairman of BP—one of the leading North Sea producers and one of the top spot market traders—said yesterday that a sharp fall in oil prices, say of \$10 a barrel or more, would cause harmful instability in the world economy. The resulting disruptions would do more harm than the benefits derived from cheap energy.

He said: "The world would be caught off guard," and added that conservation and the development of alternative energies would be halted. It would not be long before the world found itself reliant on Opec's oil once again.

A similar message was given yesterday by Mr Nigel Lawson, Energy Secretary, speaking at the Quorn Businessman's luncheon club, Leicestershire. He said that a sudden and drastic change in prices could only have a "damaging and dislocating effect on world trade and the international financial system."

Mr Lawson said he believed there would probably be a gradual decline in prices.

● BP Oil is to follow Texaco and raise UK petrol prices by an average 5p a gallon. BP's prices will go up from midnight on Monday, moving the average rate for four star petrol from £1.65 to £1.70 a gallon. Texaco's prices are going up from midnight Sunday.

John Brown shows interim loss

BY IAN RODGER

JOHN BROWN, the large engineering group which is supplying turbines for the controversial Siberian gas pipeline project, suffered an attributable loss of £27m in the six months to September 30 last year, the interim figures published yesterday show.

The directors have forecast a pre-tax loss of £9m for the full year to March 31 this year and have decided to pass the interim dividend.

John Brown shares, which have tumbled from a 1981 peak *of 102p, touched a new low of* 17p yesterday before rallying to 21½p, up 2½p on the day.

A string of misfortunes for the group began in October 1981 when a general fall in stock market prices left its share price well below the 76p price of a £25m rights issue. Only 9 per cent of the issue was taken up.

Shortly afterwards, the group announced that its machine tool division would suffer a £4m loss. It emerged that a large share transaction had been made only two days before this announcement. The Stock Exchange investigated but found no wrongdoing.

Last year, John Brown's £104m contract to supply turbines for the Siberian gas pipeline was put in jeopardy by the U.S. government's ban—eventually lifted—on the sale of certain U.S. goods and technology to the Soviet Union.

Meanwhile, trading conditions in the group's main businesses, process plant construction and industrial machinery, continued to deteriorate.

Sir John Mayhew-Sanders, company chairman, warned last July that "the current year is going to be very tough."

At the interim stage, there is a pre-tax loss of £9.4m compared with a profit of £1.2m. Sir John said the group's two main divisions were making trading profits but interest charges had been exacerbated by the fall in the value of the pound. The group has about \$130m (£85m) in U.S. dollar term loans.

John Brown has declared £16.9m in extraordinary provisions, of which £10m is mostly for stock write-downs and the remainder, the cash costs of rationalisation, mainly in the machine tool subsidiaries.

Sir John said yesterday it remained difficult to obtain orders for engineering construction and order intake in the industrial products subsidiaries was down 15 per cent. He could foresee no material upturn, although the group's losses would end this year.

Details, Page 24; Lex, Back Page

Broken Hill buys Utah International from GE

By Paul Betts in New York and Michael Thompson-Noel in Sydney

GENERAL ELECTRIC, the leading U.S. electrical equipment and electronics company, is selling most assets of its Utah International mining and natural resources subsidiary to Broken Hill Proprietary of Australia for US\$2.4bn (£1.6bn).

Utah's main asset is its coal mining interests in the Bowen Basin, Queensland, which represent about 70 per cent of the properties BHP is buying. The proposed takeover is the largest in Australian history.

The sale is the latest and most dramatic move by GE's new management to enhance its reputation as a high technology concern.

Mr Jack Welch, who has been reorganising and redirecting the company since he became chairman in April 1981, said the sale of Utah "will enable GE to focus these resources on the areas we've identified for future growth for products and service leadership . . . GE is determined to become firmly positioned at the leading edge of the high technology products."

For BHP, the deal boosts its role as a major minerals and energy concern. Mr Malcolm Fraser, Australia's Prime Minister, said it would bolster the country's growing influence in the international resources field.

BHP plans to merge its own extensive Queensland coal interests with Utah's to form a unit controlling about 32 per cent of Australian coal production.

Sir James McNeill, BHP's chairman, said his company would retain a stake of 20-33 per cent in the new Queensland coal consortium and offer the balance to other companies. BHP expects its cost of entry into the consortium to be largely covered by the assets it is injecting so its cash outlay on the Utah deal is thought unlikely to exceed about A\$740m (£467m).

The deal would take about nine months to process, said Sir James. Neither financing arrangements nor membership of the new consortium had been finalised, but problems are not expected.

Continued on Back Page

U.S. index leaps ahead sharply

BY PAUL TAYLOR IN NEW YORK

THE U.S. Commerce Department provided further evidence of an economic recovery in the U.S. yesterday by announcing a 1.5 per cent increase for last December in its composite Index of Leading Economic Indicators.

The rise in the index, which is designed to forecast turning points in the economy several months before they actually take place, was the eighth in the past nine months and the largest since a 2.8 per cent increase in September 1980.

Last month's rise follows a revised increase of 0.2 per cent in November and a 0.3 per cent increase in October 1982. The November advance had earlier been estimated at 0.8 per cent.

The Commerce Department said that six out of the 10 components which make up the index increased last month. These were initial claims for state insurance, factory orders for consumer goods, plant and equipment orders, stock prices, building permits and the American money supply.

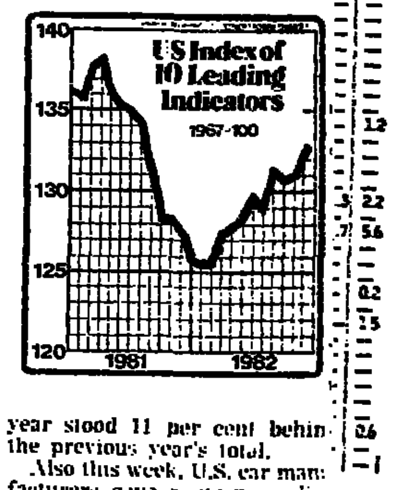
At the White House, Mr Martin Feldstein, chairman of the President's Council of Economic Advisers, said the "really sharp" increase in the index indicated that "an economic recovery in early 1983 was "increasingly likely."

Mr Feldstein stopped short of declaring that the recovery had already begun, but said the leading indicators provided "good support for our cautious optimism that an economic recovery will soon be under way."

The increase was broadly in *line with private economists' and* market expectations and came after two other signals that a recovery is underway.

Construction orders increased by 7 per cent last month to the highest level for three years, according to figures published yesterday by F. W. Dodge, a division of McGraw-Hill Construction. The closely-watched Dodge Index rose to its highest level since January 1980, bolstered by \$14bn of new construction contracts in December bringing the 1982 total up to \$154.6bn compared with \$153.5bn in 1981.

Until the final month of 1982, contracting had been trailing 1981 in value terms and at mid-



year stood 11 per cent behind the previous year's total.

Also this week, U.S. car manufacturers gave a strong indication that the economy is picking up. General Motors announced that it was calling back 21,000 workers from indefinite lay-off over the next three months. GM is to reopen its Framingham, Massachusetts plant, which has been closed since October, to meet the volume of orders.

The 21,000 workers represent about 13 per cent of the 168,000 GM workers who are currently laid off. Separately, Ford has announced the addition of a second shift at one of its plants creating 900 more production jobs and Chrysler has said it will hire 1,400 to 1,700 workers to staff a closed assembly plant in St Louis, Missouri, which it plans to renovate for production of its larger rear-wheel drive cars.

However, these indications of a recovery seem unlikely to smooth the passage through Congress of President Ronald Reagan's budget proposals.

Mr Tip O'Neill, the Democratic Speaker of the House of Representatives, was quoted yesterday as saying that his party will push for a substantial programme to create jobs at a cost of at least \$5bn in the current fiscal year.

£ in New York

	Jan. 27		Previous	
Spot	\$1.5340-5360		\$1.5365-53..	
1 month	0.28-0.24	dis	0.32-0.39	..
3 months	0.79-0.75	dis	0.80-0.76	..
12 months	2.00-1.90	dis	2.20-2.10	..

CONTENTS

For latest Share Index phone 01-246 5026

Cabinet meets to name ENI chairman

By James Buxton in Rome

THE ITALIAN cabinet was meeting last night to appoint a new chairman and board of ENI, the state-owned energy company, amid angry accusations over the forced resignation this week of the previous chairman, Sig Umberto Colombo.

Sig Amintore Fanfani, the Prime Minister, insisted this week that Sig Colombo put his office at the disposal of the Government, only three months after he became chairman. He is to go back to his old job, the chairmanship of Enea, Italy's nuclear energy authority.

The Government has come under fierce attack from almost all parties, including Sig Fanfani's Christian Democratic, but not from the Socialists, for what is seen as a blatant piece of political intrigue.

Sig Giulio Andreotti, a former Christian Democratic Prime Minister, accused Sig Fanfani of wanting to cover up aspects of a past scandal at ENI, which Sig Colombo was prepared to have exposed. This has been strenuously denied by the prime minister's office.

The removal of Sig Colombo was caused by an impasse between him and the Socialist Party, which had nominated him, over other appointments to the board. Sig Colombo refused to accept Sig Leonardo di Donna, a former vice-president of ENI, arguing that he was unsuitable. The Socialist Party refused to back down.

With ENI—badly in need of a full board, the Socialist Party was only prepared to renounce Sig di Donna's nomination if Sig Colombo, ENI's sixth chairman in five years, were also to go. Sig Fanfani had little choice but to accept, the Socialists being essential to his coalition government.

The problem of finding a new chairman for the company—the fourth biggest outside the U.S., with turnover last year estimated at L44.500bn (£20bn)—was complicated yesterday by the public refusal by Sig Enrico Gandolfi, a possible candidate, who ran ENI as special commissioner for seven months last year, to accept the job.

Managerial staff at ENI went on a one-day strike yesterday in protest against the government's action. Sig Colombo has a high reputation as a decisive manager.

Renault workers win pay increase

BY DAVID HOUSEGO IN PARIS

SUBSTANTIAL concessions by the Renault management well in excess of the French Government's pay guidelines yesterday brought an end to the three-week strike which has halted car production at the Flins plant outside Paris.

The settlement involved an overall pay deal this year for the company's 105,000 workforce as well as specific measures to meet the paint shop workers' grievances.

At group level the company has granted an overall pay increase of 8 per cent this year with an additional monthly bonus of FFr 120 (£11). The pro-Communist CGT union yesterday claimed that this amounted for assembly-line workers to a 10-11 per cent increase.

The Government's pay guidelines provide for an 8 per cent increase this year. In addition, the Renault management has conceded a "safeguard clause" providing for a further salary review should inflation exceed 8 per cent.

At Flins, where a return to work was agreed by 107 of the 136 paint shop workers who took part in the vote, the management conceded additional monthly bonuses of up to FFr 155. This amounts to an overall pay increase of almost 14 per cent. The total monthly bonus won by the paint shop workers of a maximum FFr 275 was only FFr 25 short of their main demand.

The strike prompted Renault to lay off 10,700 workers and caused a loss of some 30,000 cars at Flins where the Renault 5 and Renault 18 are built and at Boulogne Billancourt where the Renault 4 is made.

It brought into the open the growing militancy of immigrant workers who account for most of the assembly line workforce in the Renault, Talbot and Citroen factories in the Paris area.

An official of the pro-Socialist CFDT union at Flins welcomed the settlement as coming close to their demands. The strikers were pleased, he said, at having extracted an additional FFr 120 all round for Renault workers.

Renault had offered only a 7 per cent pay rise and an additional 1.5 productivity related increase.

In making such substantial concessions at both national and local level, Renault's intention was to bring a rapid end to the strike and to try and prevent fresh claims being triggered off elsewhere. Disputes, mainly involving immigrants, were still continuing yesterday.

At Flins, the strikers are to be paid for 12 of the 16 days they were not at work in return for working four Saturdays. The management has already offered to pay those laid off 70 per cent of their salary but unions were trying to improve on this offer yesterday.

Nkomo blames army for 95 civilian deaths

BY OUR HARARE CORRESPONDENT


Joshua Nkomo

AT LEAST 95 black civilians have been killed by Zimbabwe security forces, hunting dissidents in south-west Matabeleland, in the past week, according to Mr Joshua Nkomo, leader of the opposition Zapu political party.

Speaking at a news conference here yesterday, he said the dead included Mr Josiah Gumede, a president of the short-lived Zimbabwe-Rhodesia state during 1979.

But, shortly after the news conference, a news agency report said Mr Gumede was alive and well at his Bulawayo home. It said it had telephoned the former president and quoted him as saying, "Mr Gumede is alive and in his house."

Mr Nkomo had said that, in the absence of Mr Robert Mugabe, the Prime Minister, who was visiting Tanzania, he had protested to Mr Simon Muzenda, the acting prime minister, who had immediately summoned security ministers to hear reports on the allegations. Mr Nkomo blamed the killings on the fifth brigade."

The opposition leader's accusations coincided with a bitter attack on the Zimbabwe government by Rev Ndabaningi Sithole, another prominent black politician leader, and a former leader of the ruling Zanu-PF party. Also speaking at a news conference, Mr Sithole accused the "fifth brigade"—a military unit formed by the Zimbabwe government in 1981 and trained by North Koreans—of "country-wide intimidation."

Supporters of Mr Nkomo's Zapu alleged that the fifth brigade has been given a free hand to restore law and order in Matabeleland, and that it is responsible for the brutal treatment of Ndebele peasants

The dissident campaign, in which more than 120 people have died, broke out in western Zimbabwe, which is Mr Nkomo's political heartland, almost a year ago.

Talks in Seoul, Peking and Tokyo for Shultz

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

MR GEORGE SHULTZ, the U.S. State Secretary, leaves today for a three-country tour of Asia in which he hopes to improve U.S. relations with China and continue the dialogue with Japan on trade and defence issues. In a visit to Seoul at the end of the week, he plans to reaffirm the U.S. military commitment to defend South Korea.

Mr Shultz is not expecting to reach specific agreements on trade and economic issues in Tokyo or Peking. In both capitals he wants his talks to range widely over global issues, including arms control, the Middle East and relations with the Soviet Union.

The State Department said that one of the most important objectives in Peking would be to listen to China's latest thinking on the Soviet Union and explain the Reagan administration's approach to east-west relations.

Mr Shultz is hoping to avoid a detailed re-examination of the dispute between Washington and Peking over U.S. arms sales to Taiwan—an issue Washington believes to have settled in a joint communique, after months of negotiations, last August, officials said.

The aim is rather to review the whole spectrum of U.S.-Chinese relations.

The objective is to put overall relations between the two countries "on a stable, sustainable footing," the State Department said.

At the same time, Mr Shultz wants to emphasise continuing U.S. interest in broadening economic and trade relations with China, and helping to develop and modernise the country's economy. He does not want to get bogged down in the details of the latest trade dispute between the two countries over China's textile exports to the U.S.

U.S. officials, however, said that the American delegation is likely to point out to Peking that both its textile sales to the U.S. and its borrowing from the World Bank affect the interests of other developing countries.

On the military front, the U.S. is not pressing China to buy arms, the officials said: The Chinese had shown some interest since Washington said it was willing to consider Chinese requests for arms purchases 18 months ago, but Peking had not asked for any major weapons systems.

Tokyo may restrain exports to Europe

By Charles Smith, Far East Editor, in Tokyo

JAPAN has moved significantly closer during the past week to accepting a demand that it provides clear-cut assurances on restraining the export of a number of key manufactured products to Europe.

Assurances of this kind are now almost certain to be offered to the two EEC Commissioners, Viscount Etienne Davignon and Mr Wilhelm Haferkamp, who are to visit Tokyo in early February. If Japan does come up with specific undertakings to restrain exports in this way, an important new chapter will have opened in the history of Japan-EEC relations.

Indications of Japanese flexibility on the question of export restraint emerged yesterday after an intensive round of discussions between Mr Leslie Fielding, the Director-General for External Relations of the EEC Commission, and a senior Japanese Foreign Ministry official.

Following the talks, Mr Fielding said that Japan "quite understood" the problems of particular European industries and seemed "ready to co-operate in clearing them up."

The EEC has been asking Japan to provide specific undertakings about the levels of its exports from this year onwards in 10 key product areas, including cars, television sets and tubes, video tape recorders, certain types of machine tools and fork-lift trucks.

Talks between EEC commission officials and their Japanese counterparts this week were part of a regular series of "high-level" consultations on all aspects of Japan-EEC relations and were not intended to include negotiations on specific trade issues. Nevertheless, Japan seems to have conveyed the message that it is ready to go along with Community demands for export restraint on certain conditions.

Japanese conditions would include recognition by the EEC that the purpose of export restraint is to assist specific industrial sectors — not to reduce trade imbalances between Japan and Europe.

Japan might also insist on the lifting by the Community of certain measures recently taken against Japanese exports, such as the current anti-dumping inquiry on video tape recorders. A further Japanese stipulation would be that any undertakings on export restraint should carry a time limit.

The Japanese attitude in this week's talks has encouraged the EEC to go ahead with plans for the proposed February visit to Tokyo by Mr Haferkamp and Viscount Davignon.

It remains very doubtful indeed, however, whether the EEC will agree to drop proceedings against Japan under paragraph two of article 23 of the General Agreement on Tariffs and Trade (Gatt).

Export of Canadian gas to Japan backed by energy board

BY NICHOLAS HIRST IN EDMONTON

THE Canadian National Energy Board has recommended a go-ahead for the shipment of 2.9m tonnes of liquefied natural gas to Japan annually over a period stretching from 1986 to 2001 by the debt-ridden Dome Petroleum, currently the subject of a rescue operation by the Federal Government and major national banks.

The project costing C$4bn (£2.1bn) in infrastructure in Canada would be part of a general authorisation for a doubling of natural gas exports from the western provinces of Canada with the remainder intended for sales to the U.S. by pipeline.

The recommendations are subject to approval by the Federal Government, as well as those of Alberta and British Columbia.

Nissho Iwai is Dome Petroleum's Japanese partner in the plan to suppy LNG—Canada's first gas exports in this form, worth about $1.2bn a year at current prices—to Chubu Electric Power, Chugoku Electric Power, Kyushu Electric, Osaka Gas and Toho Gas.

The increase in the volume of gas available for export is in line with industry expectations although only half what the companies had asked for. The long-awaited announcement made in Toronto on Thursday follows a study made last year of Canada's gas requirements and reserves.

The energy board believes the present surplus of indigenous gas in the U.S. will disappear by the mid-1980's. This would give Canada the chance to export gas and could contribute $70bn to its balance of payments during the life of new licenees which, it is hoped, could be finalised in the middle of the decade.

Natural gas exports and prices will top the agenda at discussions between the U.S. and Canadian energy officials planned for next week. Canada at present supplies about 4 per cent of U.S. requirements at a price of $4.94 per thousand cu ft.

U.S. authorities have been pushing for a reduction in the price which is far higher than most domestic supplies.

W. German state rejects steel re-organisation plan

BY JAMES BUCHAN IN BONN

THE GOVERNMENT of the chief steel-producing state in West Germany yesterday fiercely rejected plans proposed this week for a radical reshaping of the steel industry.

In a nine-point declaration, which contrasted sharply with the positive attitude of the federal government, Prof Reimut Jochimsen, Economics Minister of North Rhine-Westphalia, launched the most pointed attack yet on plans, put forward on Tuesday by an independent commission of three "moderators," for two big steel groups to take over the bulk of West German steel production.

The plan envisages production concentrated at two competitive centres in the state—on the lower Rhine (Thyssen and Krupp Stahl) and at Dortmund in the western Ruhr, where Hoesch would become the nucleus of a second group to comprise Kloeckner and Salzgitter, whose main operations are outside that state.

Prof Jochimsen accused the moderators of looking only at short-term solutions and of ignoring the needs of different works, areas and regions.

Above all, Prof Jochimsen said, the Ruhr group would start at a disadvantage because its production would be spread across West Germany, while the Rhine group would be at one site.

The North Rhine-Westphalian government has been deeply anxious about preserving jobs at Dortmund and about the deep cuts of capacity which would follow a merger of Krupp and Thyssen. In a last-ditch effort to forestall the moderators, last week Prof Jochimsen offered a state participation in a former plan for a "Ruhrstahl," which would merge Krupp and Hoesch.

The minister went further yesterday in attacking the moderators for not having properly considered Ruhrstahl (with Salzgitter) and a Thyssen-Kloeckner group.

Southern Africa conference ends

By Michael Holman

THE NIN-member conference of southern African states seeking to reduce trade and transport links with South Africa ended in Maseru, Lesotho, yesterday with western aid commitments totalling $206m.

Over 400 delegates from western countries, the socialist bloc, Arab states and major aid institutions have been discussing industrial and agricultural projects with officials and ministers from the nine—Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe.

Lebanon PM to meet PLO

BY IHSAN HIJAZI IN BEIRUT

MR CHAFIK al Wazzan, the Lebanese Prime Minister, will meet Mr Yassir Arafat, the chairman of the Palestine Liberation Organisation, in Tunis on Monday to discuss the evacuation of guerrilla forces from Lebanon.

Mr Wazzan flew yesterday to Zurich to attend an international conference on reconstruction and development, and will then proceed to Tunis.

Dr Elie Salem, the Lebanese Foreign Minister, is expected to join the Prime Minister in Tunis. The Palestinian delegation will include Mr Abu Jihad, the deputy commander of guerrilla forces, and Mr Farouk Kaddoumi, the chief of the PLO's political department.

The government here is seeking an early withdrawal of about 7,000 guerrillas.

David White in Paris explains 'squatterisation' and other linguistic oddities

France goes to war on franglais

IT ALL started on the 2nd of Thermidor, towards the end of Year Two of the French Revolution (to the layman, July 1793), when the use of French was made mandatory for all official business and all registered documents under private seal, anywhere in the territory.

Today, towards the end of Year Two of France's Socialist Presidency, the battle still goes on The Government is threatened with prosecution by the European Commission for decreeing that all papers accompanying goods for French Customs should, likewise, be in French.

The move, part of the controversial trade measures taken last October, reinforces a 1975 law stipulating French for labels, technical leaflets and guarantees on products sold in France. A prime ministerial decree in 1977 extended this to bills and receipts, allowing as sole exceptions "foreign" words which had no French equivalent, such as *blue-jean*.

But until last October, apart from obligations on French importers with goods for the home market, Customs procedures were exempt.

The Commission views the rules as a trade barrier. But back at the time of the 1975 law, The Times columnist Bernard Levin was more upset about another kind of barrier. The law was, he wrote (in French) "*un acte de protectionnisme contre la langue de Shakespeare, de Chaucer, de Bunyon, de Dickens et de Byron.*"

Defence of French and of its influence in the world has become a standard battle-cry for both Right and Left in France. "The French language is in peril," declared an alarmed President Giscard d'Estaing in 1981.

The Communists are just as concerned, not to mention the Gaullists. Socialists in the Government have sent out instructions to ensure, for instance, that heads of research organisations use French in international conferences and that other people's papers are translated into French.

The tourist trade, riddled with English, was put through a cure last spring. *Charteriser* is to give way to *affréter*, *Jumbo-jet* to *appareil gros-porteur*, *sponsoring* to *parrainage*.

But the fight against *franglais* —a jocular term created by the author René Etiemble in 1964—is far from won. A High Committee for the French Language was set up by Gen de Gaulle in 1966. President Giscard reinforced its powers, and President François Mitterrand put a personal friend in charge of it, an academic with the resoundingly incongruous name of Stelio Farandjis.

The campaign is often caricatured abroad as an obsessive and ultimately futile crusade to extirpate Anglo-American influence. But the committee has not attempted to weed out words like *weekend* or *iceberg*, now part of the French vocabulary, or *le drugstore*, which has come to signify a specifically Parisian kind of all-night shop and restaurant.

Its work to date has been much more modest, aimed at providing consumers with the information they need in their own tongue, and at suggesting—in collaboration with other bodies covering terminology, standards and broadcasting usage—alternatives to some of the more grotesque anglicisms.

The fact that French, like other languages, is subject to borrowings and change is broadly accepted. Anglicisms are not the only arrivals; modern slang has picked up a number of Arabic words, for instance, such as *bled* for village or *toubib* for doctor.

But it is felt that the influence of English, strong for 150 years, has been distorted by snobbery, faddishness, and in the fields of management and technology what one expert calls "verbal terrorism."

The language laws have never been fully applied. Five years after pushing the 1975 legislation through, M. Pierre Bas, Gaullist MP from the Paris Latin Quarter, was still campaigning against the fact that children on internal flights were wearing signs saying "Unaccompanied Minor."

Only a handful of cases have been brought to the courts, including a successful one against British Airways for not printing its conditions of carriage in French.

One problem is that French adapts English words and invents its own, as fast as it absorbs them. A mountaineer will use a *talkie-walkie* instead of a walkie-talkie. In film-making, the takes begin with someone snapping something called *le clap*. *Un slip* is not a slip but a pair of underpants. *Un starter* in a car is a choke, *un gadget* is a gimmick, *le pressing* is the dry-cleaner, and the adjective *hard* means hard-core, as in *films hards*.

The endings "-man" and "-ing" have, in the committee's view, to be admitted as legitimate French suffixes, as in *recordman* (record-holder) or *le footing* (the serious sportsman's answer to *le jogging*).

New words infiltrate through slang, for instance, *cool*, and *squatterisation* found its way into a recent headline in *Le Figaro*. New products have also had their effect.

Some alternative suggestions have failed: *mercaticien* has not replaced *marketingman*, and it seems unlikely that *le walkman* will really be known as *le baladeur*, or *le frisbee* as *la galette* (which comes from a kind of flat cake).

Other words, however, have been successfully replaced. In windsurfing — a sport and industry which the French have made their own — *planche à voile* has worked as the term for the sail-board and *veliplanchiste* as the person who uses it.

But the best record has been in computer science. In spite of a rearguard action by *le soft* (software) against *le logiciel*, French coinages have won the day: *ordinateur* for computer, *numerique* for digital, *informatique* as a noun for data processing or as an adjective.

As with industry, so with language. The spirit of interventionism is alive and kicking in France.

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More money sought for road building

Financial Times Reporter

THE GOVERNMENT is seeking £45m in extra funds from parliament for road building this financial year, Mr David Howell, Transport Secretary, said.

He announced completion of 11 motorway and trunk road construction schemes well ahead of schedule in 1982-83. This represented about a third of all completions. More than 28 miles of new road have been opened early.

Mr Howell said good weather, the response of contractors, keen tender prices, and small cost rises had all helped accelerate road building. This year's motorway and trunk road spending should be 17 per cent higher than in 1981-82, when there was a 5 per cent rise.

GEC signs £320m S. African contract

THE General Electric Company has signed the £320m contract it won in April to supply six 600 Mw turbines for the Majuba power station in South Africa.

GEC said the contract would provide work for the companie's factories in Manchester, Rugby and Stafford in England and Larne in Northern Ireland.

Whisky prices set to rise 5-6%

WHISKY PRICES in the UK look set to rise by 5 to 6 per cent in mid-February. Teachers, GrantAs and Arthur Bell have announced increases of this order.

The companies have also decided to re-examine possible price increases for the U.S. market because of the strength of the dollar against sterling. Scotch companies invoice their U.S. distributors in dollars

New post for Task Force commander

FALKLANDS Task Force commander Rear Admiral Sir John "Sandy" Woodward has been appointed Flag Officer Submarines and Nato Commander Submarines Eastern Atlantic.

He takes over from Vice Admiral Sir Peter Herbert in May.

Changes planned for Ulster police

MAJOR CHANGES in the structure of the Royal Ulster Constabulary are to be introduced, it was announced.

Smaller sub-divisions will be created to bring the force into closer contact with the public. The RUC said it would mean better and more effective policing.

Minister in pledge on immigration

THE Government's strict immigration policies will not be abandoned said Mr David Waddington, Home Office Minister of State, speaking in Blackburn.

He said: "At the last General Election the Conservative Party promised firm immigration control . . . I can assure you that a firm policy is indeed being pursued."

Tribune fear over legal battle

MEMBERS of the staff of Tribune, Labour's best-known left wing newspaper, fear it may be bankrupted by a renewed legal battle for control.

The paper's two main shareholder-directors, Mr John Silkin and Lord Bruce of Donington, said yesterday that they were taking the staff to court over an employee share scheme set up last December in an attempt to consolidate staff control over the paper and its editorial policies.

Airlines want Laker case to be heard in England

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A VIGOROUS counter-attack has been launched in the High Court by four European airlines named as defendants in the $1m damages action started in the U.S. by the liquidator of Laker Airways.

British Airways, British Caledonian, Lufthansa and Swissair have all started proceedings in the Commercial Court seeking orders to the effect that any legal action taken against them in relation to the collapse of Laker should be in the English courts and nowhere else.

The airlines have obtained temporary orders restraining the liquidator, Mr Christopher Morris, of Touche Ross, applying to the U.S. court for orders preventing them from continuing with those proceedings.

Laker Airways, Mr Morris and Laker Airways (International) are also being sued by Midland Bank and Clydesdale Bank, who have been granted a temporary injunction stopping Mr Morris joining them as defendants in the U.S. action, or litigating against them in connection with the Laker collapse otherwise than in the English courts.

In their High Court writs, the *banks and airlines seek*, in addition to injunctions, declarations, in substantially similar terms, to the effect that they were not parties to any conspiracy to injure or restrain trade and commerce in air transportation between the U.S. and Europe; that they did not intentionally or unlawfully injure Laker; and that they are not liable in any way for Laker's collapse.

Mr Morris announced in November that he intended suing leading airlines and aerospace companies in the U.S. for allegedly driving Laker out of business earlier last year.

In what is regarded by aviation lawyers on both sides of the Atlantic as the most complex civil air transport case ever, Mr Morris claimed $350m *(£220m) compensatory damages* and $700m punitive damages.

Those sued were British Airways, British Caledonian, Pan American, Trans World Airlines, Lufthansa, Swissair, McDonnell Douglas Corporation and McDonnell Douglas Finance Corporation.

Brittan welcomes lower oil prices

BY ROBIN PAULEY

THE TREND of falling oil prices is a blessing — albeit a qualified one — which will lower world inflation and help economic recovery in the UK, Mr Leon Brittan, Chief Secretary to the Treasury, said yesterday.

Mr Brittan told Leeds Chamber of Commerce that a steady, gradual fall in oil prices would be best. Sharp falls, like sharp rises, created uncertainty and disrupted the world economy. But a steady fall would help world growth and trade, and give people in most countries more to spend.

Although lower oil prices improved the trade balance of oil importers, they worsened the problems of oil exporters such as Britain. But oil was only a small part of the British economy and, taking account of the effect price falls would have on depressed world conditions, they would improve Britain's overall prospects.

Referring to the recent fall in sterling, Mr Brittan said a lower value for the pound was not in itself a benefit because it provided no guarantee of improved competitiveness. Past experience showed that the advantages which lower sterling brought to British manufacturers trying to sell abroad often did not last very long.

"They often feed into higher inflation and wages. The effective value of the pound dropped by one third between 1969 and 1976 but the competitive position of our exporters hardly improved at all," he said.

This time, however, the fall in sterling would probably add less to the inflation rate than many people thought. It would only have a lasting impact on inflation if the money supply or borrowing were out of control, which they were not. And while lower oil prices were bound to affect sterling, they would also help Britain directly by bringing down inflation.

Mr Britain emphasised that market pressures had been responsible for the rise in interest rates, including base rates, once sterling had started to slide. Experience indicated that the path to lower interest rates was likely to be neither easy nor smooth.

Mr Brittan, who a year ago said the British economic recovery was there for all but the blind to see, said last night that no one pretended recovery in Britain was likely to be swift or dramatic.

There were signs that the relative decline of the economy was slowly starting to be reversed. Productivity had been growing faster than elsewhere over the past two years and pay settlements had moderated.

Timex plant allegations to be probed

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

MRS MARGARET THATCHER, the Prime Minister, yesterday promised the Scottish trades unions that the Government would investigate union allegations that the French Government offered special assistance to Mr Fred Olsen, the Norwegian millionaire, to shift watch production from Dundee.

Timex, which is largely owned by Mr Olsen, recently announced it was shutting mechanical watch production in Dundee and would be shedding 1,900 jobs. Only 2,300 jobs would remain, with work concentrated on contract assembly work from outside.

Mr Andrew Barr, president of the Scottish TUC, said the trade unions wanted the Government to investigate whether up to £100m was offered by the French Government as an incentive to expand watch production.

Mr Alec Fletcher, the Scottish Industry Minister, who was also present at the Prime Minister's 20-minute sesssion with the trade unions, said he did not think the French Government would be able to offer to Timex anything more than Britain could.

Mr George Younger, the Secretary of State for Scotland, is to meet Mr Olsen on Monday to discuss the cuts in Dundee. Mr Michael Foot, leader of the Opposition, is also to meet Mr Olsen.

The investigation into Mr Olsen's alleged statement about French incentives to expand in France will be carried out by the Industry Department. Timex watches in France are made by Fralsen & Besancon, an Olsen company, but these are mainly quartz watches rather than the mechanical watches produced in Dundee.

Mrs Thatcher was in Glasgow for the bicentenial celebrations of Glasgow Chamber of Commerce and the Glasgow Herald, the newspaper. She met the STUC delegation before a banquet at which she was to deliver a keynote speech.

Cinzano to launch range of clothes

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

CINZANO is to launch a range of clothes next autumn in a move to continue its policy of diversification.

All the diversification undertaken by the Italian group has so far taken it into various drinks. Its British affiliate is branching into a completely new field.

Cinzano UK has linked with Norman Harris, a clothing company with plants in Redruth, Camborne and London, to market ski-wear, raincoats and knitwear. All will carry the Cinzano name.

Harris is putting up slightly more than half the £500,000 cost of the project and the drinks company, famous for its vermouths, intends to pursue the question of further diversification if the range is successful.

Cinzano emphasised yesterday that the clothes would be *fashionable* and *stylist* — "in keeping with our drinks image." The clothes are intended solely for the UK market. At the moment the Italian parent company has no plans to follow the British company's lead.

The company is marketing the clothes for men and women. In ski-wear the range will include salopettes (a form of dungaree), jackets, one-piece outfits, trousers and gilets (sleeveless jackets).

The clothes will incorporate Thinsulate thermal insulation lining made by 3M and used in clothes worn by the last two British-led Everest expeditions.

Most of the knitwear is expected to be bought in from Hong Kong, but some will come from UK mills.

Mr Michael Rebuck, managing director of Norman Harris, said the clothes would be ready in July in time for the autumn selling season. He said the money invested would be spent on new equipment but the company hoped to increase the size of the Redruth workforce.

Imports of tights hit British makers

James McDonald looks at the hosiery industry's vulnerability

COURTAULDS' recent decision to close one of its four remaining women's hosiery plants, at Baldock, Herts, is part of a continuing process of contraction and consolidation which has been carried out in the hosiery industry over the past 10 years.

The two major producers—Courtaulds and Pretty Polly (part of the Thomas Tilling group)—have been adjusting to, but have not yet overcome, two major problems in the women's tights industry: production overcapacity in a fairly static market worth about £250m a year; and increasing import penetration at the cheaper end of the market, mainly from Italy.

British tights producers feel fairly secure at the upper price end of the hosiery market with their branded names—Pretty Polly, Kayser Bondor and Aristoc (both Courtaulds) and Bear Brand. But they have become vulnerable in the growth sector of the tights retail trade—the grocery supermarkets—to low cost Italian imports of "basic tights" under unbranded names or "in-house" names.

The closing of Courtaulds' Baldock plant, producing unbranded tights for this sector of the market, does not mean that Courtaulds is withdrawing from the basic tights trade. It is likely that unbranded tights production will be switched to the remaining three plants, near Derby and Nottingham and in Leeds where the Aristoc and Kayser brands are produced.

Mr Brian McMeekin, managing director of Pretty Polly, believes that basic tights, "the everyday purchase of the average woman," is such a big segment of the market that Courtaulds cannot afford to desert it without leaving the market totally.

He added: "Over 50 per cent of the market in the UK for tights is in the basic tights sector and the major selling point is the supermarket or grocery store."

Consumption of tights and stockings by British women runs at about 45m dozen pairs a year. Statistically this suggests that the "average woman" over the age of 15—if there is such a person—buys about 23 pairs a year.

Tights account for 83 per cent of the British women's hosiery market, with separate stockings taking 8 per cent knee-high grip-tops 7 per cent, and support (or elastic) hose the remaining 2 per cent.

Import penetration has been rising steadily in recent years in the basic tights sector and it now accounts for about 20 per cent of retail sales in Britain, excluding the imports from Pretty Polly's plant in Killarney, the Irish Republic. If these are included, total import penetration is about 33 per cent of the UK market.

Italian hosiery imports are coming into this country at a price for basic tights about 50p per dozen cheaper than British production costs.

Following a path beaten by other brand name makers in the radio and cutlery sectors, both Courtaulds and Pretty Polly are importing tights. Imports account for about 10 per cent of Courtauld's sales according to Mr Jimmy Bell, chairman of Courtauld's Hosiery. Apart from Pretty Polly's Irish trade, the company has in the past brought them in from Israel.

Over the past 20 years the number of active hosiery mills in Britain has been cut from about 160 to fewer than 50. A confidential paper produced recently for the knitwear sector working party of the National Economic Development Office suggests: "Severe as the contraction has been, further mill closures over the next two years are inevitable as mounting pressures from cheap Italian imports and the need to modernise facilities; particularly in the areas of dyeing, packing, marketing and distribution, expose the present inadequate profit margins of many firms."

The most significant feature of the British retail market for women's tights over the past 13 years has been the decline of traditional outlets such as drapers and department stores and national chain stores, and the rapid growth of hosiery sales through food, grocery and supermarket establishments.

Between 1970 and 1982, the share of hosiery sales through traditional drapers and department stores fell from 26 per cent to 17 per cent, and through national chain stores from 32 per cent to 24 per cent. Sales through food stores have risen over the same period from 22 per cent to 36 per cent of the total.

In the branded sector of the hosiery market, a recent survey suggests that about 300,000 dozen pairs of tights are sold weekly through food stores. Pretty Polly, with its down-market Galaxy brand, appears to lead with 41 per cent of the branded market and Courtaulds has about 8.5 per cent of the branded trade in the supermarkets with its Kayser brand. Bensons, with its Bear Brand and Patti Page brands take another 5.3 per cent of the branded sales.

The main own-label brands by retailers include: Sainsbury with 8 per cent of the grocery market sales, Tesco with 7 per cent, and the Co-op (mainly supplied by Pretty Polly) with 3 per cent.

Vauxhall raises prices as car sales pick up

By John Griffiths

VAUXHALL yesterday became the latest car company to raise its prices, as the UK new car market overall headed towards possibly its best January for 10 years.

About 122,000 cars had been registered after 13 days' trading, and unofficial estimates circulating in the trade are that total January sales could reach 165,000-170,000. This compares with 114,296 in January of last year, 136,000 in the same month of 1981 and the record, set in 1973, of 162,000.

Sales so far in January show that the market is continuing to outperform manufacturers' and importers' expectations.

Lower interest rates, a bigger than predicted impact from the lifting of hire purchase controls and selective incentive campaigns by some manufacturers appear to be the contributing factors to this month's sales level.

Vauxhall's price increases are the latest in what is expected to be a general round by UK makers and importers. The increases average 3 per cent on the company's Astra small hatchback models, and 4 per cent on its Chevette and best-selling Cavalier cars. The increases became effective at midnight.

Like Ford, which put up its prices by an average of 4 per cent on January 15, Vauxhall attributes the increases to higher costs.

They come after a year in which car prices on average had increased by well below the rate of inflation. BL imposed only one increase, of 3½-4 per cent last February, while Ford cut prices on most cars. It raised Cortina prices by 4.5 per cent in April, in order not to create too big a price jump to its more upmarket Sierra successor, launched in October. Even so, Vauxhall's failure to raise the Cavalier price to match meant that Ford could charge less for the Sierra than it hoped, while Vauxhall's only significant price increase last year was of 5 per cent, allied to specification upgrading.

Earlier this week, Datsun UK announced that it was raising prices by 4 per cent, blaming sterling depreciation against the yen, and Toyota acknowledged that its prices are also to go up shortly.

The Vauxhall increase will lift the price, including all taxes, of a Chevette L 2-door saloon from £3,576 to £3,720; the Astra 1200 S 3-door hatchback from £4,233 to £4,320, and the Cavalier 1300 S 4-door from £4,820 to £5,013.

Unipart quietly cuts more than a third of its total workforce

BY JOHN GRIFFITHS

UNIPART, BL's parts and accessories division, shed 1,000 workers last year — about one third of the total — in one of the few BL job-cutting exercises to escape publicity.

It is also closing its showcase warehousing facility at Baginton, near Coventry. Opened in 1979, at a cost of £9m, the 270,000 sq ft facility used the latest techniques in warehousing and distribution management. It is to be shut by the end of March. The 170 employees are to be moved to other BL operations or made redundant.

The moves, says Mr John Neill, Unipart's managing director, will allow the division to improve profitability this year "even if there is no increase in demand."

Mr Neill said Unipart again made a net profit last year, in spite of falling demand in both the UK and overseas parts and accessories markets.

No details of the profit have been given, and the Unipart division's results are not separated out in BL's accounts. Nevertheless it remains one of BL's few consistent profit-makers, in spite of turnover down by nearly £50m to £350m. Few of its competitors escaped losses last year. Just under £100m of the division's turnover was *in export business*, where Unipart says it has particularly suffered from the depressed foreign exchange reserves of recession-hit Third World countries.

Mr Neill acknowledges that "the scale of change has been a shock to the company. But the company is starting 1984 keener, leaner and financially strong."

Unipart's management appears to have been unusual[ly] successful getting the union [to] agree to what amounts to [a] halving of the workforce sinc[e] the end of 1977 when more tha[n] 4,000 were employed. La[st] year's cut "was accomplishe[d] without disruption."

The job cuts at Unipart div[i]sion, engaged primarily in th[e] marketing and distribution [of] parts and accessories, do n[ot] extend to the SU-Butec manufa[c]ting companies which make u[p] the remainder of the Unipa[rt] Group.

The Baginton complex [is] being closed because of th[e] continuing recession in the par[ts] and accessories market, an[d] because of productivity impro[ve]ments at Unipart's other war[e]houses at Cowley and Canle[y] which have combined capaci[ty] of 2m sq ft—10 times that [of] Baginton.

Haig to shut Fife whisky plant

BY GARETH GRIFFITHS AND MARK MEREDITH

JOHN HAIG, a subsidiary of the Distillers Company, is to close its blending and bottling plant at Markinch, Fife, with the loss of 340 out of 560 jobs.

The closure of the plant will be phased until June and work will be transferred from Markinch to more modern facilities owned by Haig at nearby Banbeath. Some 220 jobs will be saved by transfers to the Banbeath plant.

The Markinch plant has been operated by Haig since 1877 with the main bottling hall built in 1937. The plant can handle about 4m cases a year but with present worldwide sales of Haig at an estimated 2.5m cases, the plant has been operating at low capacity.

DCL said yesterday the Haig plant was too old for substantial investments to be made in it. Banbeath, by contrast, offered scope for increased capacity when the need arose. Haig located its automatic line for bottling Haig Dimple at Banbeath last year.

The Haig closure follows DCL's recent closure of a small whisky bottling hall by Watson in Dundee.

Haig installed its Banbeat[h] works to handle high spee[d] automated production, as we[ll] as small orders requiring sp[e]cial shaped bottles.

The Dimple brand was r[e]launched in the UK last yea[r] with a new bottle and a heav[y] marketing campaign. DCL sa[ys] it is too early to judge its su[c]cess, although the company [is] researching the whole of the U[K] whisky market and its findin[gs] will go before the company management committee in th[e] next couple of months.

Metal Box cuts 300 London jobs

BY MAURICE SAMUELSON

METAL BOX yesterday announced about 300 job cuts in the London area. The packaging group has already shed 7,000 employees in the past three years.

The latest cuts reflect falling demand for general line tinplate containers, especially for food, paint and motor oil, and the growing preference for plastic or composite packages.

General line cans are those with replaceable lids, in contrast with the "open top" cans used for beverages.

Some 170 jobs will go at Clapton, East London, out of a workforce of 538; 108 of the 621 at Palmers Green; and 20 out of 54 at the Wilds Rents tinplate printing works at Bermondsey, south London.

Most of the company's previous redundancies have been caused by the huge UK overcapacity in open top beverage can lines.

The closure of factories using tinplate may revive fears of further contraction at the British Steel Corporation's tinplate works in South Wales.

Meanwhile, in the West Midlands, Staveley Industries, the diversified engineering group, is to cut 170 of the 290 jobs at its Bradley and Foster foundry in Darlaston. Staveley plans to contract and specialise its hard metal components business.

Mr J. A. Harper, a Staveley director, said Bradley and Foster had been making heavy losses for some years.

● Nearly 80 workers at VS Engineering (Ellesmere Port) in Dallow Road, Luton, are to lose their jobs when the company closes on February 23. The plant makes pressing and sheet metal assemblies.

The company said some [of] the workers would be offere[d] alternative jobs at a sister com[pany], VS Engineering in Mi[l]land Road, Luton.

● Sunbeam Electric of Ea[st] Kilbride, near Glasgow, is tran[s]ferring production of domest[ic] appliances to its Wembley pla[nt] in London. Only a year ago th[e] company announced a £2m in[]vestment which should ha[ve] created 300 jobs.

● On Clydeside, Unilever sa[id] its subsidiary Van den Bergh and Jurgens, an edible oil re[]finery at Greenock, would clo[se] in July with the loss of 73 job[s].

Other redundancies yesterda[y] were announced by Britis[h] Timken, which is cutting 1[] jobs at plants in Dusto[n] Northants, and Daventry, an[d] hosiery company Jaeger Ew[] which is closing its Ilkeston factory in Derbyshire with th[e] loss of 72 jobs.

Tory Party clash likely on Bill

BY IVOR OWEN

ADING TORY backbenchers e set for a head-on clash with e Government on the Private ember's Bill designed to make tionalised industries directly countable to Parliament for eir expenditure of taxpayers' oney.

While the Parliamentary Con- il of Expenditure (Reform) ll secured an unopposed cond reading in the Commons sterday, a strongly critical eech by Mr Leon Brittan, ief Secretary to the Treasury malled the Government's ear intention to curtail its ovisions drastically in the ommittee Stage.

He endorsed the objective of creasing the efficiency of iblicly owned industries and aking them more accountable it maintained that the Bill in s present form would under- ine their ability to operate on commercial basis.

Mr Edward Du Cann, chair- an of the 1922 Committee of ory backbenchers and one of e Bill's all-party sponsors, ft the Government in no doubt about the hard fight Mr Brittan faces in seeking to dilute its provisions.

Mr Du Cann praised his "friends" on the Labour benches for demonstrating that they were as determined "as any of us" to get more effective parliamentary control over expenditure.

He urged ministers to disregard suggestions that some of the chairmen of nationalised industries would resign if the Bill reached the statute book unamended.

He said: "If a man wishes to resign rather than be accountable for his expenditure of public money to the taxpayer, then let him go — and gladly."

Mr Brittan said the Comptroller and Auditor-General had made clear that if armed with the additional powers which the Bill sought to confer on him, his staff would have a permanent presence in at least all the larger nationalised industries.

They would have access to internal papers and other information, monitor developments as they took place, and reserve the right to return to any mistakes they thought they might have identified.

Mr Brittan said he shared the view held by all chairmen of nationalised industries, that such a right would lead to slower decision-making, less willingness to take risks and to less commercial efficiency.

He said: "Managements would be bound to look over their shoulder and worry about how it would all look in a public post-mortem."

Ignoring protests from the Labour benches Mr Brittan also said the provision designed to make the Commons solely responsible for the appointment of the Comptroller and Auditor-General was constitutionally unacceptable.

Mr Norman St John Stevas, the Tory MP for Chelmsford, chief sponsor of the Bill, complained that Mr Brittan had made a Jekyll and Hyde speech.

While promising that any amendments tabled by the Government would be carefully considered in the Committee Stage, he made no attempt to minimise the gulf between ministers and many of their most prominent backbench supporters.

Mr Joel Barnett, the Labour MP for Heywood and Royton, chairman of the Commons Public Accounts Committee, said the opposition to the Bill by the chairmen of nationalised industries was "totally misconceived."

The National Audit Office which would be established by the Bill would work in total co-operation with the nationalised industries and not in opposition to them. There would be no attempt to interfere with their commercial judgment.

Mr Barnett said he would be prepared to consider amendments to allay nationalised industries' anxieties, provided they did not frustrate fundamental objectives.

Councils lose court case on grants

THE Environment Secretary acted within his powers on *continuing to withhold* 1980-81 rate support grants from London boroughs which had had failed to keep to government spending limits, the High Court ruled yesterday.

Two judges rejected an application by the boroughs of Hackney and Camden for a declaration that the action taken by the Secretary of State—*then Mr Michael Heseltine*—was unlawful.

Six other boroughs—Tower Hamlets, Lambeth, Brent, Waltham Forest, Hounslow and Lewisham—will be affected by the ruling.

In the court action, Camden claimed payment of the amount withheld—more than £5m. Hackney, which had *later qualified for and* received the grant, claimed interest for the period during which the money—some £929,400—was not paid.

The boroughs contended that the grants should have been paid following a High Court ruling in October 1981 that Mr Heseltine's initial decision to withhold them was unlawful *because he had* refused to listen to new representations from the boroughs.

Instead he re-imposed his decision to withhold the grants in February last year after putting right his error by listening to submissions.

Lord Justice May and Mr Justice McNeill yesterday held that Mr Heseltine, after hearing full representations, had been entitled to reach any decision which he thought right within the existing law. He and the Treasury also had the final say about when and in what amounts instalments of grants were to be paid.

The judges ruled that at no time was the Secretary of State *indebted to* either borough, and there could be no valid claim by Hackney for interest.

The boroughs are considering an appeal.

Lorry drivers' shop stewards to consider strike in South-east

BY BRIAN GROOM, LABOUR STAFF

SHOP stewards representing 14,000 lorry drivers in London and the south east will meet tomorrow morning to decide whether to go ahead with their threatened all-out strike from Monday.

The stewards, members of the dominant Transport and General Workers Union, are likely to endorse their negotiators' rejection of a final 4.6 per cent pay offer and embark on their first stoppage since the 1979 "winter of discontent."

A recurrence of the widespread secondary picketing, which characterised that dispute, is threatened. This time much of it could be in contravention of the Government's recent labour legislation.

However, hopes among TGWU leaders in the Southeast of turning the dispute into a national conflict have been thwarted.

The union's commercial road transport committee has refused a request to call a national delegate conference, because settlements or agreements have now been reached in more than two-thirds of the hire-and-reward sector's 21 regional negotiations.

Deals elsewhere range from 3 per cent to 5.7 per cent, and South-eastern TGWU leaders believe a settlement could have been reached if highest figure were offered in the South East.

However, employers refused to increase the 4.6 per cent offer in talks earlier this week. No further negotiations are planned, although the Road Haulage Association would not refuse a request for another meeting if one came from the union side.

Employers believe that with unemployment in the industry high, the response from drivers to the strike call would be nothing like as great as in 1979.

They also believe that the 4.6 per cent offer, taking the weekly basic rate for the top category of drivers to £91, is the maximum they can recommend to company's and reasonably expect it to be paid.

The initial targets for picketing are likely to be docks, container bases and food and drink establishments.

Oil tanker drivers and company fleets are not involved in the dispute, but the latter could be dragged into it by picketing.

The TGWU has already set up a strike headquarters at Stratford in London. Its first task will be to decide on requests for exemption from companies which say they are not affected by the pay dispute and those who handle essential supplies.

Mr Ron Connolly, TGWU regional officer, warned that after the dispute, the existing bargaining machinery with the Road Haulage Association would collapse and the union could try to negotiate with individual companies.

ICI moves to raise price of fibres

By Carla Rapoport

ICI FIBRES, a loss-making division of Imperial Chemical Industries, is making a fresh attempt to raise prices.

The company said yesterday that increases of between 10 and 15 per cent will take effect from February for its polyamide and polyester yarns and fibres. The last price increases, announced more than a year ago, have been eroded for many products because of slack demand and continued overcapacity.

The company said the latest price rise was a "necessary step against cost increases over the last few years, which have not yet been recovered."

In 1981, the company made a loss of £36m on sales of £444m and is expected to show another loss for 1982.

ICI's *ability to make this* increase stick is aided by sterling's recent decline against the D-Mark and other currencies.

The price increase does not reflect any strong industry sentiment that demand is reviving. For the first 11 months of 1982, UK synthetic fibre production fell by 17 per cent, compared with the same period in 1981, said the UK Man-Made Fibres Producer Committee.

The City welcomed ICI's move, although analysts reckoned that it only brings ICI's prices into line with Europe.

"This shows how ICI and Courtaulds can benefit from sterling's weakness in the domestic market as well as exporters," said Mr Jack Summerscale at De Zoetes and Bevan.

ICI's share price moved up sharply yesterday, largely in response to large orders from America. The shares rose strongly from 370p to 406p before falling back to about 390p.

GLC leaders face rates dilemma

BY ROBIN PAULEY

THE political leaders of the Greater London Council, having won the right to cut London Transport fares by 25 per cent in May, have two weeks to decide whether to raise their precept on London ratepayers by 15 per cent or up to 32 per cent.

The decision, which has to be reached by the GLC budget and rate-fixing meeting on February 15, is crucial to London domestic and non-domestic ratepayers, many of whom also face substantial rises from their local London boroughs. Islington Council, for example, is talking in terms of a rate rise of between 53 and 77 per cent and even after the political polemic is eliminated from the rate discussions the final increases seem unlikely to be less than 40 per cent.

This, coupled with a possible 30 per cent GLC rise, would add hundreds of pounds to many domestic rate bills and thousands to those of larger commerce and industry.

Islington's average domestic rate bill this year was £469, just £20 above the inner London average. But the combination of its rate proposals and the GLC rise could send it close to the most expensive boroughs, currently with average domestic bills of £600-£700.

To meet the Government's target of £543m the GLC would need cuts from its current budget of about 20 per cent or would have to raise fares by 20 per cent and put £1.50 a week on council rents above the Government guidelines of 85p a week.

As cuts in service or increases in charges on this scale are hardly feasible, the GLC, like the Inner London Education Authority, will receive no Government grant at all in 1983-84; all its income will be from its ratepayers.

If the council maintained its current programme it would cost £643.7m in 1983-84 and if it limited new spending solely to the extra subsidy needed to fund the 25 per cent fares cut the £736.7m budget could be funded by a 15 per cent rise in the GLC precept.

The problem for the Labour leaders on the GLC is that they have already cut items from previous budgets and in their four-year administration which began in May 1981 the forthcoming *1983-84* year has to be the year in which they get their policy working in London.

A budget control system is squeezing 3 per cent revenue cuts out of the existing programme to free money to be re-applied to new projects. In addition they have £107m worth of new projects ranging from £4.3m extra for arts and recreation, £1.8m more for ethnic minorities committee, £8m for the women's committee, £5m for housing, £8m for development, £38.6m for industry and employment, £5m for voluntary organisations, £3.2m for public health and safety, £18.4m for transport.

GREATER LONDON COUNCIL BUDGET AND RATE OPTIONS 1983-84

Option	Cost £m	Precept p	Increase/ dec. over 1982-83 %
1982-83 programme with no bus or tube fare changes	643.7	33.7	− 3
1982-83 programme plus 25 per cent fares cut	736.7	38.6	+15
1982-83 programme plus 25 per cent fares cut plus, new revenue plans including revenue effects of capital plans	843.8	44.0	+30
Above plus £36.5m contribution to capital fund	880.3	46.0	+32

Prescription charges to rise by 10p

BY GARETH GRIFFITHS

PRESCRIPTION charges are to rise from £1.30 to £1.40 per individual prescription on April 1. Government says this is the minimum increase needed to cover rising costs.

The four-monthly rate for prepayment certificates will rise proportionately from £7 to £7.50 and the annual rate from £20 to £21.50. Prepayment certificates are issued to people who need prescriptions frequently and account for 6 per cent of the total number issued.

Some 69 per cent of the 300m prescriptions issued each year in the UK are free to the young, old, unemployed, expectant and nursing mothers, those on defined low incomes and people with certain long-term illness.

● The Government is to give £6m for new initiatives to combat the misuse of drugs, Mr Norman Fowler, Social Services Secretary, said yesterday.

The money will be given in three equal amounts over the next three years. Guidelines on how it can be used will be issued in the next fortnight.

Mr Fowler told a conference on drug misuse that the official statistics on drug addiction represented the tip of an iceberg. Recent research by his Department suggested there were 20,000 misusing opium-based drugs and a further 20,000 misusing drugs like barbiturates and amphetamines.

● Mr Kenneth Clarke, Health Minister, is to visit Libya next week to boost UK health care exports and consultancy work in the Libyan health service.

Security dealer association chief chosen

By Rosemary Burr

THE FIRST chief executive of the National Association of Security Dealers and Investment Managers is to be Mr John Grant. The move is the first step in the development of Nasdim as a fully-fledged self-regulatory agency and trade association for investment advisers.

Mr Grant, 56, has spent most of his working life with ICI where he is involved in strategic planning at head office.

Eventually Mr Hodgson hopes Nasdim will become a recognised association of security dealers under the Prevention of Fraud Investments Act. This would mean individual members need not apply to the Department of Trade for licences to deal in securities.

CBI warns of water action effect on jobs

BY OUR LABOUR STAFF

SIR TERENCE BECKETT, director general of the Confederation of British Industry, warned yesterday that the water *strike would put more jobs in* manufacturing industry at risk if it continued.

Meanwhile, the effect on consumers steadily increased on the fifth day of the strike. The number of households without running water grew from 10,500 on Thursday to 14,500 by mid-day yesterday, affecting nearly 45,000 people. The numbers having to boil water rose slightly to 5.7m.

In spite of Sir Terence's warning, the evidence from the CBI's own regional offices suggests that the impact of the water strike has been fairly minimal. Industry has cut consumption of water but this does not appear to have worked its *way through to any cut in production.*

Britain's largest water user, the Central Electricity Generating Board, said that none of the power stations which use mains water for turbines had been seriously hit. The CEGB said that a lot of power stations would have to be hit before there would be a problem of meeting demand.

The message companies are giving the CBI is that they do not expect problems until there are serious water pipe bursts and fractures which will hamper supplies. Many heavy users such as textile companies which require high quality water tend to have water treatment equipment for their supplies.

The first serious impact could be on agriculture where live-*stock, dairy and horticulture* farming depends heavily on water. Farmers are worried that dumping sewage into natural water courses could cause problems because many of them obtain their water supplies direct from rivers.

As the weekend approached, more people were being urged by authorities to save water. Anglian Water Authority appealed to householders to have a wash-free weekend—no bath, no car-wash, and only limited washing-up.

Water workers yesterday withdrew all emergency cover from Nottinghamshire. Their action comes after claims that white collar staff are doing the jobs of strikers.

Emergency cover was also withdrawn in Avon and Warwickshire, but unions there were reported as saying they would still maintain supplies to hospitals, old peoples homes and kidney patients.

In Wales, the number of people boiling water rose by about 100,000 to 475,000 because of the inclusion of a large part of Swansea.

Although the Department of Environment insisted that only 15 per cent of Northern Ireland had been affected by the stoppage, union leaders said the situation was much more serious and would worsen considerably next week.

Dispute closes Manchester airport

By Our Labour Staff

MANCHESTER Ringway Airport will be closed at least until *midday on Monday because of a* dispute over annual pay talks for 900 manual workers and firemen.

The airport authority yesterday suspended nine firemen who had been working to rule and were unable to provide cover. Manual workers, who had also been working to rule, walked out in support.

The airport was closed at 10 am and 115 departures and arrivals were cancelled. Another 250 will be affected over the weekend.

Passengers were advised to continue checking in at Manchester, where British Airways or Serviceair would take them by coach to Liverpool or Birmingham airports.

Talks aimed at resolving the dispute broke down yesterday afternoon, and no further moves are planned until the workers hold a mass meeting at 11 am on Monday.

The authority would not disclose its latest offer, but the dispute is understood to centre around the Transport and General Workers' Union's objection to a "conditions package" included in the wage negotiations.

The authority said: "The manual workers started the work-to-rule recently after failing to reach agreement in the annual pay talks. They were later joined by the firemen.

Job-splitting scheme fears

By Our Labour Staff

A NEW report expresses fears that the Government's job-splitting scheme will mainly provide vacancies for school leavers.

According to a survey by Industrial Relations Review and Report, the rules of the scheme effectively debar married women, and other constraints rule out those approaching retirement or facing redundancy.

Union action 'must back' codes on multinationals

BY DAVID GOODHART, LABOUR STAFF

MR LEN MURRAY, TUC general secretary, yesterday warned that codes to control the actions of multinational companies were useless without strong union organisation to back them.

"Codes are important. But they don't mean a thing if we can't fight. The code on South Africa wouldn't mean anything if South African workers wouldn't fight and if our unions wouldn't go and pressurise their employers in Britain," he said at a TUC conference on union strategy towards multinationals for the next 10 years.

Mr Murray said 40 per cent of world trade is controlled by multinational corporations. He pointed to the petrochemicals industry as "one of the most glaring examples of the power of multinationals to dominate markets."

He said: "The product swaps, such as those in plastics materials undertaken by BP and ICI, and accompanied by plant closures and job losses, are moving us to a single producer for specific plastics."

Mr Murray said the unions had never argued that the internationalisation of production is all bad "but we do insist on the need for agreement on jobs and future developments."

"We say that Agreed Development Plans—backed up by strong trade union organisation —are needed to help to make the behaviour of multinationals conform more closely to the needs of workers."

He added that the hostility of employers to the Vredeling Directive on information and consultation *rights for workers* in multinationals within the EEC had been very discouraging.

Mr Ernest Piehl, secretary of the European Trade Union Confederation, claimed to have evidence of a top level meeting of European managers in December at which they agreed to put maximum pressure on *EEC commissioners, through* their companies, to water down the Vredeling Directive.

Mr Herbert Rebhan, general secretary of the International Metal Workers' Federation, said he was worried that trade unions were placing too much faith in codes of conduct and forgetting that union strength depended on organisation at the point of production.

Problems beyond the Common Fisheries Policy

Mark Meredith examines the questions of fleet over-capacity, restructuring and marketing

NOW THAT Common Market countries have finally agreed how many fish they can catch between them in EEC North Atlantic waters, even greater problems face the fishing industry.

The fishing fleets of each member country have got to be trimmed to correspond to their potential catch now that quotas have been assured. In fishing, as in many other industries, there is over-capacity and restructuring is required.

Too many boats — about 50,000 in the Community—are chasing too few fish.

Other questions of improving the marketing of fish and distribution will now become particularly important for Britain.

Restructuring the industry has awaited the Common Fisheries Policy. In Britain there are about 4,500 fishing boats. But how many do we really need?

According to one economic forecast there is as much as 20 per cent over-capacity in half the British fishing fleet of boats more than 40 ft long although this same model forecast that with improved fish stocks there could even be a shortage of boats in the long run.

This is not going to be easy to settle. Big boats will be pitted against small boats and local interests against regional ones.

The fishermen the Government is dealing with are fiercely independent individuals who usually own their boats and regard their work like that of hunters.

Co-operation among fishermen is hard to achieve and even in Scotland where 60 per cent of British fish are landed west coast fishing fleets which want some local preference for their catches have decided to leave the Scottish Fishing Federation claiming it is too orientated towards the fleets of the north-east coast.

Roger Taylor

The lives of these Aberdeen fishermen could change drastically now the Common Fisheries Policy is agreed.

Determining over-capacity is not simple either. Much of the French fleet fishes in the Mediterranean and West German, Dutch and some British boats fish in distant waters of the North Atlantic not covered by the Common Fisheries Policy.

Many fishing boats also fish for species not covered by the new EEC agreement. The Danes, for example, have about 80 per cent of their fleet fishing for industrial fish—fish destined for fishmeal—which are not covered.

The fleets will need to be tailored not only to today's catch but to tomorrow's as well. If the goal of conserving fish through the policy is achieved then more fish will be there to catch in future, and there must be enough boats on hand to catch them.

The mechanism for restructuring will be a protracted series of talks between the Government and industry. When *it comes down to the tough* talking it will be the Government grants backed by EEC assistance which will provide the final levers to help reduce the size of the fleet.

In the case of Britain neither industry nor the Government would hazard a guess of how big the fleet should be nor how extensive the cuts to be made should be. There are many imponderables such as the size of the boats and their nets.

"This is something that the market will have to sort out for itself," one government official said.

The amount of EEC assistance, £140m for a three-year restructuring programme for all member countries, is small. The main emphasis is on building and modernisation with £66m to be contributed by the Community, representing a quarter of what member countries are expected to put in themselves.

Scrapping and laying up boats will receive £45m with as much *again coming from* Community members. But what this means in terms of each country will have to be worked out.

Greek and Italian boats *qualify* for restructuring assistance although they do not fish in the waters covered by the policy, nor do they fish for the seven species included in the agreement.

To date member countries including Britain have been generating over-capacity with subsidies to help fishermen build boats. In the past year *£15m* has gone to British fishermen in financial difficulties.

In the view of the fishermen themselves the reform of the fleet hunting mackerel and herring is most pressing. Problems for the white fish fleet are less severe.

One thorny question will be what to do with Britain's fleet of purse seiners. These boats have nets about four times the size of a football pitch and can do the work of nearly 20 trawlers.

Britain has about 70 purse seiners and they are greatly under-utilised, working only about 70 days a year, plus dabbling in white fish work for the off season.

According to one estimate *this fleet could* be halved although purse seiner owners, having invested nearly £1m in their vessels, can be expected to vigorously defend their interests.

Other EEC restructuring assistance will go to joint ventures, fish farming artificial reefs to encourage fish spawning and even foreign voyages in search of unexploited fish and new fishing grounds.

In Britain considerable attention will be paid to modernising the fleet. An estimated 70 per cent of boats in England are more than 20 years old while in Scotland the figure is a more healthy 37 per cent. Rejuvenating the fleet alone would probably considerably reduce its numbers.

Peace at Mail on Sunday

BY IVO DAWNAY, LABOUR STAFF

A PEACE formula was agreed last night between senior Associated Newspapers' managers and print union leaders aimed at ensuring normal production of the Mail on Sunday in Manchester this weekend.

Last week the newspaper lost its entire 300,000 northern print run after engineers at its contract print works, Northprint, walked out in a dispute over payments for Saturday night *working.*

Earlier, the 47 engineers defied a return to work call from national officials of the Amalgamated Union of Engineering Workers who were not satisfied that normal disputes procedures had been exhausted.

However, after six hours of talks yesterday, involving the paper's managers and all the print unions, the AUEW gave an assurance that normal working would be resumed in return for discussions next Tuesday on the overtime rates.

The return to work was expected to be formally agreed by the engineers chapel (office branch) at a meeting in Manchester late last night.

It is understood that strong pressure was brought to bear on the strikers from all sides, with other unions not prepared to back an unofficial stoppage. This woul dallow Mail on Sunday staff in London to produce extra copies of the paper to make up for lost production in the north.

● Talks continued last night between senior Financial Times managers and officials of the National Graphical Association aimed at forestalling a threat *of industrial* action by machine managers from next week.

صورة من الاصل

THE WEEK IN THE MARKETS-1

Learning to live with weaker sterling

It was another black week for sterling. The closing rate in London was at a record low against the dollar on two days and at one point during Tuesday it touched the lowest ever at $1.5170.

Fear of a sharp fall in world oil prices and suggestions that U.S. interest rates were about to turn up were pinpointed as the main causes of the slide. In the circumstances the stock market was surprisingly unflustered.

After an early loss of almost 14 points the FT Industrial Share index slowly recovered, to finish the week up by 0.6 at 620.

There were a number of stabilising factors including much-better-than-expected UK trade figures, an obvious Government determination not to intervene to halt sterling's decline by signalling higher interest rates.

Gilts, which had been depressed at the start strengthened again as interest rate fears subsided. Gold shares, meanwhile, shook off talk of an end to the rise in the bullion price and the FT Gold Mines index regained ground.

Sterling closed down 3.1 cents on the week at $1.536 with the trade-weighted average 1.9 off at 80.9.

Rank squeezed

Serious problems in Australia and the impact of the recession on the Butlins holiday business undermined group performance at Rank Organisation. These setbacks compounded with an anticipated downturn in the contribution from its share of the Xerox photocopying and electronic office equipment business, to leave taxable profits down 40 per cent at £61.5m for the year to the end of October—less than half the level seen three years earlier.

The dividend—unchanged for three years, has been cut by 26 per cent to 8p and only the yield, at over 11 per cent, prevented a further collapse in the share price. Even this payout, however, was not fully covered.

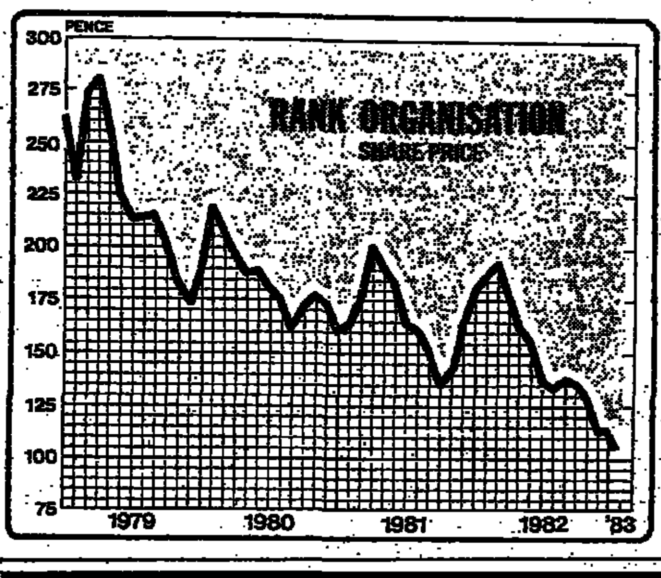
Though the group today has a wide range of activities the bulk of its profits continue to come from its Xerox interests. The share of the Rank Xerox companies declined sharply at the trading level from £85m to £57m; with the second half down by more than a half, reflecting the intensity of the competition, particularly from the Japanese.

The group's own trading results fell £6m to £33m, despite a good performance in other areas including the film activities from which it gets its famous "man with gong" film distribution logo.

Last year's pre-tax outcome was also hit by a jump in interest costs of some £6.6m, arising in part from the cost of refinancing the Sheppard Centre property complex in Toronto.

Tax was £11.5m lower at £32.7m but closures and reorganisation, especially in Australia, produced extraordinary costs of more than £22m.

With Xerox Corporation continuing to feel the squeeze on office equipment the outlook for Rank in the current year remains bleak with some forecasters predicting a further fall to around £50m before tax.



Good for Guinness

LONDON
ONLOOKER

The old adage of a new broom sweeping clean certainly held plenty of meaning for Arthur Guinness this week. Just over a year ago Ernest Saunders was brought in as managing director to pep up the boardroom. The announcement of full-year profits to September bore the scars of his initial measures, yet held out promise of a better future.

The new management has gone through the business and written off £48.7m in below-the-line extraordinary items for costs and provisions against those loss-making activities the group had tacked on over the years in an abortive effort to chase profits outside brewing. Yet even after these one-off charges, which left an attributable loss to shareholders of £26m, balance-sheet gearing has been marginally lowered to 40 per cent.

While the peripheral operations are being cleaned up, the core of the business has not gone untouched. Helped by a 19 per cent price increase, Guinness has managed a rise in full-year pre-tax profits of 18 per cent to £49.4m despite the pressure on volume both in the UK and Ireland. Confidence for the current year is self-evident in a near-10 per cent dividend increase—the first for four years.

The shares had already undergone a considerable rerating over the past year and climbed even further after this week's news. While the City seems to be more than satisfied with what the new regime has achieved there looks to be a growing divergence of thought about the future.

There is still fat to shed so, even with a tough market in the UK and Ireland and the anticipated setback in Malaysia, Guinness could make £58m to £60m pre-tax this year. Few would disagree with those figures but having come to grips with the existing business the new management team has yet to show that it can successfully reinvest for the future. Some analysts are beginning to think there is better value to be had elsewhere.

Asda Exceeds

Associated Dairies Group, known to most shoppers for its Asda chain of hypermarkets, brought out its interim figures for the 28 weeks to mid-November 1982 on Wednesday. Pre-tax profits rose by 16 per cent to £33.1m—slightly ahead of market expectations—helped by a £1.5m rise in interest receivable. The dividend was increased by nearly 24 per cent to 1.25p.

During the period, eight new Asda stores were opened costing £2m in pre-opening start-up expenses but the company's balance sheet remains strong, with over £50m of cash available.

Volume gains were achieved in the superstores — 9 per cent overall, and 2 per cent even without the effect of the new outlets. Even the non-food lines have been picking up after a dull couple of years.

Net profit margins, in the superstores, at 3.7 per cent, are nearly double those of Tesco and are almost on a par with J. Sainsbury. Recent figures show that Asda's share of the UK grocery market has risen to 9.3 per cent.

Increased capacity utilisation within the fresh foods division led to a 25 per cent increase in pre-tax profits there to £5.9m. The only black spot in the results came from the carpet and furniture stores, which contributed a combined trading loss of £171,000. Reorganisation costs were high and a £3.3m extraordinary write-off on the Ukay stores was shown below the line. Ukay has now been closed down.

Only two new stores will be opening in the second half, reducing the burden of pre-opening expenses, and activity before Christmas was, apparently, brisk. The market is looking for around £70m for the full year.

Cementing links

Blue Circle Industries, which is bidding £26.3m for Aberthaw Cement, cannot have been encouraged by yesterday's referral to the Monopolies and Mergers Commission of the rival Redland and London Brick offers for brickmaker Ibstock Johnsen.

Wednesday's agreed bid from Blue Circle, Britain's largest cement-maker, for Cardiff-based Aberthaw, the smallest of the "big four" in the industry, would create a company with about 60 per cent of the cement market.

London Brick's offer for Ibstock would result in a company with 46 per cent of the brick market while Redland and Ibstock together would have only 11 per cent.

Every bid must be judged on its own merits and a clear line in recent monopoly decisions is difficult to find. Nevertheless in straightforward percentage terms Blue Circle and Aberthaw looks a natural for referral.

Blue Circle, with 8m tonnes of cement capacity, already had a 26 per cent stake in Aberthaw before the bid announcement and takes about 20 per cent of the Welsh company's near 1m tonne output under a distribution agreement.

It has also obtained the approval of Aberthaw's other main shareholder, the Sir Robert McAlpine construction group Newarthill, with 15 per cent, for the bid.

Both Blue Circle and Aberthaw expect to make cost savings and the deal would guarantee the future for the minnow among the three cement industry whales, Rio Tinto-Zinc, Rugby Portland and Blue Circle itself.

A merger would also allow Blue Circle to fund a £10m plus modernisation and expansion programme at Aberthaw which the smaller company could not possibly finance from its own resources.

But a further concentration of ownership of an industry which already operates a common price agreement will give little protection against the threat of cheaper imports. The large groups formed may prove less agile in fighting off importers who have started to bring admittedly small amounts of Continental cement into some geographically less accessible markets.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1982/3 High	1982/3 Low	
F.T. Govt. Secs. Index	77.57	−0.77	85.84	61.89	Sterling's weakness
F.T. Ind. Ord. Index	630.0	+0.6	637.4	518.1	Leaders dip and rally
Aberthaw Cement	590	+210	615	310	Bid from Blue Circle
Arlen Electric	217	+37	218	18	Renewed speculative demand
Audiotronic	34	+18½	34	5	Proposed rights issue
Bellair Cosmetics	56	+30	68	7	Bid approach
Benlox	48	+13	50	12	Speculative demand
BP	314	−18	340	258	Threat of oil price cut
Britoil (p/pd)	49	−13	84	48	Persistent selling
Brock St. Bureau	31	+12	31	16	Revived demand
Cape Industries	96	+19	190	56	Speculative demand
Carr Boyd Minerals	138	+86	144	10	Encouraging gold prospect
Dowty	131	−18	174	113	Int. profits disappoint
Enterprise Gold	61	+27	61	19	Encouraging gold prospect
Erskine House	131	+60	131	33	Mr B. McGillivray to buy 29.9%
Guinness (Arthur)	119	+14	119	61	Annual results and statement
Helene of London	29	+14½	29	12	Speculative demand
Hill Minerals	78	+45	85	28	Near 20% interest in Carr Boyd
Ibstock Johnsen	97	−6	115	50	Bids referred
London and Liverpool Tst.	533	+81	533	39	Investment buying
Macarthys Pharmaceuticals	168	−42	242	105	Disappointing interim results
P. H. Industrials	71	+24½	71	39	Better-than-exp. interim figs.
Plessey	550	−40	653	345	Adverse comment
Polly Peck	£34	+6	£34	314	Awaiting merger details
RIT and Northern	183	+13	187	123	Investment comment
SelecTV	58	+20	58	21	Speculative demand
Utd. Guarantee	30	+9	31	7	Bid speculation
Wight Collins Ruth. Scott	290	+140†	340	265	USM debut
Woolworth	166	−15	187	159	Failure to find chief executive

† Based on placing price of 150p

SAVINGS OFFERS

THE WEEK IN THE MARKETS-2

Golden gleam of Harbour Lights

MINING
KENNETH MARSTON

IF IT'S thrills and spills you're after, the place to go is the market in Australian exploration stocks, as those with memories of the wild boom and bust nickel rush of the late-1960s will know. But it is no place for the unwary.

Nobody wants nickel these days. It's gold they're after. A taste of the old excitement has come along this week with news of some intriguing gold values obtained in drilling at the Harbour Lights prospect at Leonora in Western Australia.

Shares of Carr Boyd Minerals—once a nickel exploration favourite—which has a stake of 40 per cent in the prospect rocketed 66p to 120p on Wednesday while those of **Aztec Exploration**, owning 5 per cent, doubled in price to 18p. **Hill Minerals**, which holds 19 per cent of Carr Boyd, jumped 52p to 85p.

Needless to say, all the other gold hopefuls got in on the act. They included **Acorn Securities**, **Enterprise Gold Mines**, **Samson Exploration**, **Samantha Exploration**, **Otter Exploration** and the oddly-named **Buddha Gold Mines**.

The last-named actually has a small gold mine. A recent share placing made to repay the company's debts has allowed the shares to be quoted again. They were suspended at around 7p some six months ago and on Thursday, much to the relief and gratification of the shareholders, they were priced at 31p.

Drills put down at Harbour Lights by **Esso Exploration and Production Australia** as operator (with an interest of 55 per cent) suggest a sizeable and good value gold deposit lying close to the surface

Starting at a depth of 21 metres, one borehole cut through as much as 56 metres of mineralisation which assayed an average 11.3 grammes gold per tonne.

Other intersections included 24m of 8.64g, 34m of 6.23g, 22m of 7.39g, 6m of 16.83g and 52m of 3g. Metallurgical testing of the ore has shown no problems in getting a good recovery of the gold content.

So far, so good. The important thing is to find out just how much ore is present and Carr Boyd hopes to be able to give some indication of this in its next progress report at the end of March.

In the meantime Mr Bill Galbraith, the chairman, is full of optimism as befits a prospector who has spent the last 13 years looking for such a deposit.

He told me yesterday: "I personally believe that this will be a large, very profitable mine in relation to today's costs and gold price. Carr Boyd is hoping that this event will occur in the not too distant future having regard to the time it takes to complete final tonnage, grade and feasibility studies."

He also takes the view that in this Eastern Goldfields region of Western Australia that other gold mines will be found in the next two or three years. All heady stuff and fascinating to report, just as in the "Poseidon days." Carr Boyd may be on to a winner, but where there are thrills there are also spills and small investors would do well to remember this.

In the world of base metals, several companies are reporting their experiences in the final quarter of last year and not surprisingly these do not make happy reading against the background of depressed metal prices. All is not gloom, however.

On the day that a wave of optimism stimulated Wall Street the U.S. **Newmont Mining**, in which Consolidated Gold Fields has a stake of around 25 per cent, reported a recovery in fourth quarter earnings to $17.37m (£11.3m).

It reflected higher income from precious metals and energy interests and still left the year's total at $48.58m against $81m in 1981 when there was also a gain of $294.5m from the sale of the company's holdings in St Joe Minerals and Conoco.

Newmont should do better in the current quarter now that base metal prices, notably copper, are improving. The company says: "Reductions in interest rates appear to be providing impetus for moderate recoveries in the housing, construction and automobile industries which are vitally important to the copper industry."

If that is the case then Australia's **MIM Holdings** may well see a much better result for its current year to end-June than seemed likely a few months ago. Indeed, things already seem to be on the mend because first-half results announced this week show a net profit of A$10.32m (£6.56m).

In the same period of the previous year, when the company went into the red for the first time since 1936, there was a loss of A$4.47m. The loss for the full year to last June amounted to A$10.37m and would have been greater had it not been for a large tax credit.

Helping MIM on the latest occasion has been increased sales at rising prices of the company's important silver output. Prices of the copper and zinc were little changed while those of lead were down, but at least the company was able to sell all its output.

The major mining companies are not out of the wood yet but it may be that the worst is over for them. One helpful factor is the possibility of a fall in world oil prices.

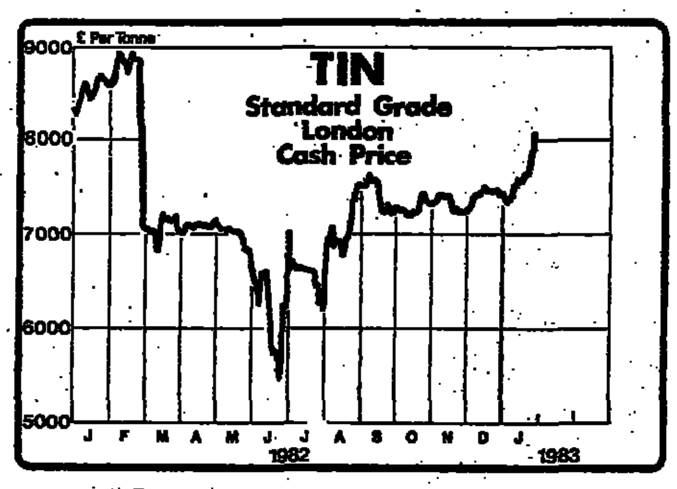
While many of us have been regarding this in the light of reduced income for the UK from the North Sea—mitigated by the fall in sterling against the dollar—we may not have concentrated on other aspects of the situation.

And one important aspect for the mining world is that lower oil prices could help to stimulate the incipient recovery in the industrialised countries and their demand for metal. After all, it was the rise in oil prices that was blamed for much of the economic recession that followed.

TIN OUTPUTS COMPARED

	Dec 1982 tonnes	Nov 1982 tonnes	Total to date tonnes	(months)	Same period previous year tonnes
Amal of Nigeria (columbite) ...	†	†	25	(6)	50
Amal of Nigeria (tin)	†	†	630	(7)	970
Aokam	81	103	546	(8)	693
Ayer Hitam	71	86	602	(6)	920
Berjuntai	167	140	1,668	(8)	2,451
CRM Sri Timah	42	49½	588	(12)	720
Geevor*	74¾	82½	648¾	(9)	†
Gopeng	148½	154½	460½	(3)	438
Kinta Kellas	31½	31½	308	(9)	341
Malayan	545	484	3,114	(6)	4,196
Pahang	†	56	228	(4)	358
Petaling	130	154½	284½	(2)	189½
Rahman	90½	90¾	444½	(6)	666
South Crofty‡	†	142½	1,053	(8)	854½
Sungei Besi	61	59	667	(9)	663
Tanjong	5	5¾	98	(12)	188¼
Tongkah Harbour	42	45	185	(6)	198
Tronoh	35	31	500	(12)	627

* Figures include low-grade material. † Not yet available. ‡ Tin metal in concentrates. Outputs are shown in metric tonnes of tin concentrates.



A confused market

NEW YORK
DUNCAN CAMPBELL-SMITH

RUMOURS ABOUT Opec, used to haunt the U.S. markets, scaring investors away with visions of industrial collapse or the end, at the very least, of the gas-guzzling limousine.

Monday's news from Opec had nothing whatever to do with higher oil prices. Quite the opposite. A conference of its members had ended with a giant rumpus, underlining Opec's disunity and perhaps even killing the beast, as it were, in its own barrel.

Its years of trepidation seemingly forgotten, Wall Street promptly reacted with a selling panic worthy of the darkest days of 1974. The Dow Jones Industrial Average dropped 25 points at the opening bell and it was no day to contemplate how much three-quarters of America's public companies might benefit from lower oil prices.

The standard view next day said it was all to do with concern over Third World oil producers and those non-performing loans piled up in most of the big U.S. banks. But several of the pundits were sceptical of this and Monday's fall baffled many people.

This was an appropriate start, as it turned out, to a week full of puzzles and anomaly in matters great and small.

To take the great first, even mighty IBM had trouble with a confused market. Analysts announced disappointment eight days ago, when the company released an earnings statement for 1982 which concealed within it a 34 per cent increase in its domestic U.S. income. The shares dropped $3¼ that Friday.

It was then discovered that a change in IBM's accounting treatment of foreign currency translations had hopelessly muddled most readings of the statement.

IBM rushed out another one and opinions were duly revised, though not before the stock had fallen another $¾ to $93¾ in Monday's market. It has since climbed back to within striking distance of the $100 level without assistance from a dividend increase or any near term stock split, both of which the company ruled out on Tuesday afternoon.

The State of the Union Address from President Reagan would have been no small matter, had it included any items of substance for the economy. But Wall Street seemed puzzled to find nothing of the kind. The chief executive declared on Tuesday evening that America was on the mend and the next day saw Wall Street's one quiet session of the week.

Perhaps the strangest aspect of the market's setback after reaching up to the 1,100 mark on the Dow has been the contrast between its uncertainty about the recovery and the apparent conviction of the bond market that the U.S. economy has turned.

On Thursday, a series of better industrial production forecasts included word of re-gearing at General Motors and the stock market's faith looked rekindled. The great industries of the land continued—a running anomaly this—to report a steady stream of appalling figures for 1982. But with investors looking again to the recovery the Dow had its best rally since just before Christmas.

Most of the major oil companies reported this week, including the four U.S. partners of Aramco. To the industry-wide problems of excess capacity and shrunken refined product margins, these four can add the burden of long-term contracts to buy Saudi crude at the highest prices in the market.

Of the four, only Exxon managed to make a small profit in the fourth quarter. This helped curtail its decline for the year, with 1982 net income falling 13.3 per cent. But Mobil, Texaco and Standard Oil of California all suffered far worse, with net income for the year down 40-45 per cent in each case.

Their stocks having fallen in reaction to the Opec developments on Monday, the 1982 results did not prevent them regaining some of their recent losses in the week's two final sessions.

At least the oil companies are still making money. There were times on Wall Street this week when America seemed full of industrial companies vying with each other to clock in the biggest losses.

Against some formidable competition, from the chemical and paper sectors among others, the steel industry undoubtedly won hands down.

U.S. Steel was thoughtful enough last November to warn security analysts that it expected a loss for 1982 despite just about breaking even over the first three quarters. Understatements come no richer than that. This week it reported losing $363m in its four quarter. Steel shipments for 1982, at 10.3m tonnes against 16.6m, were the lowest since 1938 and steel operations as a whole lost a staggering $852m. Only oil and gas profits from its new Marathon Oil subsidiary kept U.S. Steel's biggest ever annual loss down to $361m for the year.

-gyypGf 'yb 78PA

But to Bethlehem Steel, which reported the very next day, must go the dubious distinction of achieving the biggest quarterly loss in American industrial history: $1.15bn in the past three months, even more than International Harvester lost in its disastrous October quarter, a mere $1bn.

None of which much harmed the two steel stocks in their progress over the week. Both traded yesterday at their closing levels of the week before. It was not a market easily impressed after Monday by bad news of any kind from 1982. Companies had only to keep quiet about the future and let the magical faith in recovery do the rest.

Even this seemed beyond Xerox. The company added to its report of a 29 per cent decline in net income for 1982 by saying that 1983 would be spent "laying the groundwork for bigger things to follow." That meant no gain in operating profits this year and the stock had a torrid time on Thursday.

MONDAY	1030.17	−22.81
TUESDAY	1042.03	+11.86
WEDNESDAY	1037.99	− 4.04
THURSDAY	1063.65	+25.66

One domicile only

FINANCE AND THE FAMILY
BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

I should appreciate it if you would reconfirm or deny that "according to English law you cannot be domiciled in more than one country." (FT 27.10.73).

I understand that if a person has been regarded as resident in the UK for income tax purposes on or after December 10 1974, and in not less than 17 out of 20 income tax years ending with the income tax years in which the relevant time falls, he is deemed for capital transfer tax purposes only to be domiciled in the UK even though he may not be domiciled here under the general law. "The relevant time" referred to is the date of a transfer of value for capital transfer tax purposes. This provision is not applicable to income tax or capital gains tax, I understand.

1. Is my interpretation correct?

2. What does the U.S./UK Double Taxation Agreement relating to Taxes on Estates of Deceased Persons and Gifts say on this matter?

It is correct that there are special statutory provisions deeming a taxpayer to be domiciled in the UK in circumstances which would not necessarily amount to the acquisition of a domicile of choice under the general law. To that extent the citation may require qualification; but it remains the case that English law will accept domicile in one country only for the purpose of the particular aspect of the law to which that domicile is material. Double Taxation Agreements do not alter this proposition.

Employers and sports club

I am writing to seek your advice on a matter between our Sports Club and our Employers.

About five years ago we agreed with them to have a fruit machine installed into our canteen, and the signed agreement between ourselves, employers and the hirers was that after the rental to the hirers and custom and excise licence was paid, the monies left would be split three ways.

Recently the company wanted to abandon the 15 per cent part of the agreement and split the money 50-50. We did not think this a good idea, so we refused.

Now the company want us to pay them 10 per cent of the net proceeds as a rental, which they claim they will be using as a welfare fund. They sent us a copy of an extract of the minutes, and in it any monies they allocated have had to be paid back out of the persons wages, so the fund will just get bigger and bigger and the company will get interest it attracts. What do you advise us to do?

We do not think you can be required by the Company to re-negotiate the terms of the existing agreement. Therefore, unless you are satisfied that a revision is in the interests of your members you would be justified in refusing to depart from the current arrangement.

A temporary lecturer

I have a temporary two-year contract as a lecturer at a South African university and pay South African income tax on my salary of R14,000, approximately £7,000. Since my contract excludes pension and medical aid, I pay these myself. The South African tax authorities have refused that this UK pension contribution and medical insurance which amount to £1,500 p.a. be allowed as deductible allowances.

I pay UK tax on two sources of income: the letting of my London house and alimony paid me by my former husband. The UK personal allowance and mortgage interest allowance will presumably be allowed against these two sources of income. What is the likelihood of the UK tax authorites allowing my UK pension contribution and medical insurance against my UK income?

It is difficult to give you as helpful a reply as we should wish, on the basis of such limited data. However, it seems certain that you cannot be eligible for UK tax relief on the pension contribution and insurance premium.

Whether you are eligible for UK personal allowances is not quite clear, from the bare facts given, but it seems fairly unlikely. It also seems unlikely that you will be eligible for any significant benefit under the RSA-UK double taxation agreement. You may like to ask your local UK tax office for copies of the free explanatory booklets IR20 and IR25, which should help to clarify the general UK tax position for you.

Rolls-Royce realisation

Could I seek your advice regarding the taxation position in respect of a loss on Rolls-Royce Ordinary Shares? Original purchase 1967/68. Claim for loss submitted to Inland Revenue in 1970/71 but they would not agree any loss at that time due to expected further capital distributions. There have of course been several distributions since then with a final in July 1982 so that my loss is now resolved at £196.61 and I now propose to notify Inland Revenue as to this final figure. I have in the intervening years made some small gains but these have always been well within the exemption limit. I am not clear as to whether the R-R loss (or part of it) would be nullified by these subsequent small gains or is such a loss unaffected by any small gains within the exemption limit?

Which year would the Inland Revenue regard as the operative year for the loss—1971 or 1982?

On January 23, 1975, the Inland Revenue admitted in a press release that they had been mistaken in advising inspectors to reject claims that the value of Rolls-Royce shares had become negligible by the end of March 1971. Unfortunately, the Board had inadvertantly omitted to instruct inspectors to record the names of shareholders whose claim had been summarily rejected, and consequently your inspector was doubtless unable to let you know that your 1970-1971 claim was belatedly accepted.

On the strength of the 1975 press release, you can now obtain repayment of the appropriate amount of CGT for 1970-1971, plus repayment supplement. From what you say, it seems unlikely that the liquidation distribution made in 1973-1974, 1974-75 and 1975-76 produced any CGT liability for you.

VAT and building work

I am having a disagreement with a builder over the VAT position on some building work.

The major point at issue is over the felting under tiles of the house roof. The old tiles were stripped and almost all replaced apart from a few breakages, no repairs were made to the rafters and the only replacement was the battens which had of course to be broken off in order to lay the felt. There had been no felt or any other lining under the tiles previously. I would call this an improvement-comparable with damp coursing, insulating (which it is), underpinning, etc. and therefore zero rated. The builder claims otherwise.

The other work involved converting two small rooms into one by the removal of a dividing load-bearing wall, involving the following items which he claims should be subject to VAT:

Removal of a bedroom floor above, whose joists formerly rested on the removed wall, insertion of a new supporting beam to take new joists running the other way. The ceiling is too low to have supported the old floor on a steel joist.

Renewal of electric ring main to new room and bedrooms above (put in only about 15 years ago) which had previously run largely on the removed wall.

Insertion of window in opening blocked up in "window tax" days.

Removal of old damp flagged floor in one of the old rooms and replacement with concrete slab with damp proof membrane, one of the old rooms being an old larder and the new room being a living room.

Replastery above three feet high. An injection damp course was done and all plaster below this had to be removed and replaced with special plaster to resist the salts in the wall. One of the previous rooms had never been plastered and the remainder of the others, which was virtually the two slaten walls was also removed as it had to be channelled to lathe the new electric wiring and it was impracticable to leave it and try to make the new plaster match it.

Could I please have your comments in the light of the long drawn out ACT case and the House of Lord's decision on it?

We have to preface our reply by informing you that the law relating to VAT and improvements is still not clear and we cannot guarantee that our views will necessarily be accepted by the Customs and Excise.

We believe that the cost of felting should be zero rated. The inserting of a new supporting beam is very similar to the ACT Construction case and on the basis of that decision should be zero rated. The renewal of an electric ring main appears to be within the charge to VAT. The making of a window ought to be zero rated. The replacement of one floor with another with a damp proof membrane is arguably within the zero rating rules but we do not believe the point is absolutely clear. We have similar views regarding your replastering . . .

YOUR SAVINGS AND INVESTMENTS—1

Rosemary Burr looks at the building societies' blueprint for the future

Planning for the financial supermarket

ONE OF Britain's largest and most successful industries, which annually services the needs of over 20m customers, this week produced a bold blueprint for its future. The building societies, which have total assets of £74bn, have come up with proposals which could radically alter the nerve-grinding process of buying a house and at the same time provide a fresh burst of competition for a whole range of other service industries.

In last Wednesday's review of the future constitution and powers of building societies, the Building Societies Association unveiled a staggering list of services it would like its members to be allowed in principle to engage in, while stressing that it was unlikely that any single organisation would participate in all the areas outlined. The societies wish in effect to offer one-stop house purchase — that is to say they are seeking freedom to act as estate agents, carry out structural surveys, offer conveyancing services, operate as a bank, run insurance companies, acquire and develop land for residential use, make personal loans and offer hire purchase.

This is a far cry from the current position where all loans are secured and the risks run by societies are minimised. In order to try and forestall critics who might suggest that areas such as developing land which carry a degree of risk are unsuitable for societies, the BSA is suggesting that services with such a degree of risk attached should be both limited in scope and operated through a subsidiary so that any failure could be at least financially isolated from the strength of the society as a whole.

For example, societies would set up subsidiaries if they wished to run banks, insurance companies or hire purchase companies. Alan Cumming, the chairman of the BSA, was keen to stress that this would not imply any dramatic alteration in societies' balance sheets.

Mark Boleat, the deputy director general of the BSA, said "building societies could not collectively buy the Royal Bank of Scotland. One or two of the bigger societies might either buy a small bank which possibly did not have any retail business or take equity in a smallish retail bank."

The reaction among building societies to the proposals has been mixed and reflects their differing view of what is an appropriate role for a society in the coming years. With many members scrapping the differentials on larger loans some societies appear in the past two years to be moving away from their traditional concern with the lower middle-classes and this change of heart is underlined by their developments of links with banks in order to give customers access to credit cards.

The most outspoken critic of the BSA's proposals so far has been Clive Thornton, the ebullient chief general manager of Abbey National Building Society. "What I wanted was a main thrust on a narrow front of housing. I don't think we are going to get support on this. We've muddied the waters a little."

Thornton, who is regarded as an innovator in the industry and has frequently ruffled the feathers of his peers, feels societies should concentrate their financial muscle and expertise on the housing market. "We should start green-lining" he argued. "We should build houses where people never build, such as inner cities." The "redlining" or disqualification of whole districts by building societies has become a serious political issue.

Although Abbey National has already started just such a development project through a Housing Association, Thornton argues this arms-length relationship works against the customers' interest and restricts the range of guarantees of workmanship he can offer. On the question of banking and insurance Thornton is explicit: "There are enough banks and insurance companies."

Mark Boleat refuted the suggestion that the BSA had gone overboard in its call for wider powers: "societies will not make much money in property—they need other lines of profitable business like insurance and banking."

Alan Scott Durward, chief general manager of the Leamington Spa Building Society, which has assets of £2bn, said: "I see the future of societies as providing a range of financial services. The boundary between the financial institutions is crumbling. No one has been keener to leap through it than the banks. I don't regard that with shock or horror and I would be a bit surprised if anyone regarded our movement with hysterical alarm."

While several societies are keen to develop money transmission services less than a handful look poised to go down the chequebook route. Peter Spence, general manager of the Sussex County Building Society, which has assets of £170m, said: "I am not a supporter of the cheque route. The banks would like to be shot of it as it is too expensive." However, he would be keen to set up a computerised estate agency service and maybe club together with some smaller societies to form an insurance company.

Clearly few societies would take advantage of all the new powers the BSA is seeking but the response from people outside the industry has to take account of the fact that in the longer term this report could mean that societies are turned into financial supermarkets.

Initial reaction has been lukewarm with most critics tending to insist that societies should be freed from their present straitjacket only if they have suitable management expertise, capital and are well policed.

Paul Tillett, who has prepared a paper on societies for the Committee of London Clearing Banks, said: "We don't mind *the building societies'* powers being widened provided that they are adequately capitalised, adequately managed and adequately supervised in order to take on these extra powers."

The need for tight supervisory control was emphasised by Banking Information Service's Patrick Frazer.

"Savings banks going into property development has been a recipe for bankruptcy and disaster in many countries in the past," argued Frazer. However he believes that the bigger *societies have little choice* in the matter: "the trouble may well be that if they don't come into open battle with the banks then the banks may reduce them to an idle backwater like in Germany."

The insurance industry is taking a similarly low-key approach although admitting that "*it might curse under its* breath." The insurance companies have taken heart from the Office of Fair Trading's insistence that house buyers be given a fair choice of policies, and feel they can rely on the OFT to intervene if societies are seen to be pushing their product with unseemly *enthusiasm.*

The Incorporated Society of Valuers said it had "no objection in principle" to societies spreading their wings but thought they should be held more accountable to their members. The society wants to see greater consultation between members and the managers of a society.

The most hostile reaction has come from the Law Society which feels people should choose their solicitor for themselves and argues that the societies' move is against fair competition. The BSA in its report recognised that "conflicts of interest" could arise in this field.

For the present the building societies are trying to open doors in all directions, though no doubt recognising that at least some of them will be slammed shut. Since housing is close to Godliness in the heart of politicians of all colours, the societies' proposals on land development are likely to get the kindest hearing.

Tony Durrant, chairman of the Tory backbench environment committee, said he supported the move into housing *but would be hesitant about* incursions into banking and insurance. On the question of accountability the response was in line with the Tory philosophy of self-regulation. He argued: "Personally I am not keen to interfere when they have been reasonably successful."

A rather different stance is *taken* by Jack Straw, Labour spokesman on financial institutions. He said: "We have been fairly critical of the rather self-satisfied nature of the building society movement. We would however be very sorry if the societies simply turned themselves into the equivalent of joint stock banks."

His chief complaint was the "lack of democratic control" and he stressed the need for "checks" which he hoped would give members a bigger say. In fact, the question of whether extra accountability should be imposed on the managers to counterbalance their newly sought commercial freedoms *was rather skated over in the* BSA's report.

Alan Cumming admitted that the report was "rather short on the public interest angle." If societies' role in the future is being debated this is a vital strand of the argument for they control a huge chunk of the nation's assets. In some ways the societies are expected to behave almost like charities but some managers would like to adopt an out-and-out commercial approach. This contradiction will have to be resolved before the future of the building society movement can become clear.

Making clear they're offshore

THE GOVERNMENT'S latest moves to control the operations of offshore life companies in the UK and to protect the consumer are somewhat akin to its philosophy to protect the public against the effects of smoking. The offshore companies are still allowed complete freedom to market their products, but every advertisement will in future have to carry a wealth warning.

The defects of the current system, with the absence of any authoritative control in the UK *were highlighted by the* collapse of Signal Life, leaving certain gilt bondholders with little hope of recovering their money.

The Regulations* published yesterday confirm that the Government will do nothing to protect the consumer by subjecting the offshore life company to the controls that apply to life companies authorised to do business in the UK.

The Government is still too wedded to the principle of a free world market in insurance to apply controls to foreign-registered life companies, the major loophole which is being exploited.

Instead, the Government is endeavouring to protect consumers by making them fully aware of what is being sold and ensuring that each advertisement carries the warning that the offshore life company is not subject to supervision by a UK Government Department and that the policyholder is not *covered by the 1975 Policy*-holders Protection Act in the event of failure.

This is all very well as far as it goes. It looks neat in the published Regulations but how effective are they?

The regulations set out the requirements for position, clarity and legibility of these disclosures and warnings, but how many people read and understand advertisments. Still the public have been warned.

More important, will those intermediaries marketing offshore products know that these regulations exist? The Department of Trade is informing bodies such as the Newspaper Proprietors Association and the British Insurance Brokers Association. But they do not appear to be getting at the main promotors.

Finally, what is the DoT going to do about cases of non-complience? After all, many persons marketing such schemes are not likely to be concerned about the niceties of the law. The first move would be to get the advertisement put right.

These regulations ensure that as from May 1 1983 the consumer is told much more detail *about the life company, the com*panies marketing the products in the UK, the trustees if any and the inter-relationships between these three operations. The Government shows that it has learnt something from past events by specifically stating that spouses are not independent, nor is any body holding *shares or debentures in another* body.

Secondly, the advertisements have to disclose the nature of the underlying investments, though how much detail is given is not clear.

Finally comes the health warning and the regulations lay down the precise wording that must be carried. Advertisements include all promotional literature, not on only from the company itself but from all associated in the marketing.

If the DoT does not go much further and prosecute, then most of its effect will be lost.

Eric Short

First Public Offer

The New Gartmore Gold Share Trust

"Investors' fears send gold climbing"

So ran The Times headline on 21st January, 1983. Hardly surprising, as gold has always been the traditional haven for investors in uncertain times.

Now, when future prospects have seldom been so confused, Gartmore offer you the opportunity to extend your portfolio into an area which often performs at its best when times are uncertain.

The effects of the current recession are apparent to all of us. *Inflation rates may be falling in the* world's major industrialised countries, but unemployment is still rising, and signs of a real economic revival are few and far between. In addition, the international banking system is under severe strain as many sovereign states find that they are unable to meet the interest payments on their borrowings, let alone repay the loans.

Small wonder, then, that the price of gold – and of gold producers' shares – *has risen dramatically* since mid-1982.

Why you should invest now

The price of gold tends to move in cycles. Since the early '70's, when the gold price was allowed to float freely, there have been two major cycles: a first peak of $200 occurred at the end of 1974; a second peak of $850 was reached early in 1980, with a subsequent trough of $296 in June 1982. Many experts believe that a third major cycle is now under way. Though opinions differ on how high the price will go, most, including Gartmore, believe that it will exceed its previous peak around the mid-1980's.

If you invest now, you could well gain greatly from the rises that are widely predicted. And, of course, as the price of gold tends to rise when many other investments are falling, your stake in gold could be regarded as an "insurance policy" against unforeseen political, economic or financial disasters.

The sensible way to take a stake

The high price per share of many individual gold mining shares prevents most private investors from building up a well-balanced gold portfolio. There is also the problem of selecting shares with the greatest growth potential.

By investing through Gartmore's new Gold Share Trust, you could benefit from the much wider spread of investments that can be achieved through the "pooling" of many individual investors' funds. And Gartmore's professional fund managers, with many years of experience in managing gold share portfolios, are in a much better position to take informed decisions on the best choice of gold shares for growth.

The Trust is a "wider-range" investment under the Trustee Investments Act, 1961.

Where Gartmore will invest

Aiming for long-term capital growth, Gartmore expect to invest primarily in quoted companies. The overwhelming importance of South African gold mines means that these will normally account for at least 60% of the portfolio, and possibly as much as 85%. However, Gartmore also intend to reap the benefits of diversification by investing in North America (10-25%), and in Australian gold mining ventures (5-15%). Our major investments will be in companies principally involved in the mining of gold and other precious metals, though it may be appropriate at certain times to invest in related areas, such as mining finance houses and gold-backed bonds.

We intend to spread the initial portfolio as follows: South Africa – 70%; North America – 15%; Australia – 15%.

Apply now – Fixed Price Offer closes 11th February

You can invest from £200 in Gartmore Gold Share Trust by completing the coupon below and returning it to us with your cheque. Units are on offer at a fixed price of 25p until 11th February, 1983. Applications received after that date will be allocated units at the current offer price then ruling. The estimated gross commencing yield is 3.1% p.a.

Remember the price of units and the income from them can go down as well as up.

You can obtain information on other Gartmore unit trusts, and on Gartmore's Share Exchange Service, by ticking the appropriate box in the coupon.

Further information

Applications will be acknowledged, and certificates will be forwarded within six weeks.

You can sell your units back to us at not less than the minimum bid price on any dealing day. You will receive a cheque within seven working days of the Managers receiving your renounced certificate. Prices and yields are quoted in leading national newspapers. The price quoted is the previous day's dealing price, which is calculated at midday for dealing that day. The Trust is constituted and administered by a Trust Deed dated 22nd December, 1982.

Income is distributed annually on 15th January. Distributions are paid after deduction of income tax at the basic rate. Income tax can be reclaimed from the Inland Revenue if you are entitled to do so. The Trust has an initial management charge of 5¼% of the value of the assets equivalent to 5% on the issue of units at the offer price. The annual charge is set at ¾ of one per cent per annum (plus VAT) of the value of the fund (as compared with the maximum of 1 per cent permitted in the Trust Deed) which is deducted from the gross income and is already allowed for in the estimated current gross yield. Remuneration is paid to qualified intermediaries; rates are available on request.

The Trustee is Midland Bank Trust Company Limited. The Managers of the Trust are Gartmore Fund Managers Limited, 2 St. Mary Axe, London EC3A 8BP. Tel. 01-623 6114. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

Gartmore Gold Share Trust

To: Gartmore Fund Managers Ltd., 2 St. Mary Axe, London EC3A 8BP. Telephone: 01-623 6114.

(Regd. No. 1137351. Regd. address as above)

I/We enclose a cheque for (minimum £200) £

payable to Gartmore Fund Managers Ltd., to be invested in Gartmore Gold Share Trust at the fixed initial offer price of 25p per unit.

Tick box:

☐ For automatic re-investment of net income.

☐ For details of the complete Gartmore unit trust range.

☐ For details of Gartmore Share Exchange Service.

Surname (Mr/Mrs/Miss/Title)

First Name(s) in full

Address

Signature(s) FT2901GST

(Joint applicants must all sign and attach names and addresses separately).

GARTMORE

£1,300,000,000 under Group Management

4 New Unit Trusts

3% Discount Offer

TOUCHE REMNANT

Four Ways to Grow From Strength to Strength

Touche Remnant – Investment Strength

Touche Remnant is one of the largest and most respected investment managers in the United Kingdom. Since its origins in 1889 it has concentrated exclusively on investment management and for much of its history it operated as the investment management arm of Touche Ross & Co. Today it is a totally independent management group, with more than £1,600 million under management – for investment trusts, unit trusts, pension funds and private client funds.

Now, Touche Remnant introduces four new unit trusts for the personal investor. For as little as £500 you can benefit from the same depth of experience and comprehensive service that major investors have turned to for decades.

Touche Remnant – Research Strength

At Touche Remnant, investment strategy is based on thorough fact finding and research. Operating from one of the largest and most experienced research departments in the City, teams analyse business sectors on a worldwide basis and collect and interpret data from 22 of the world's major financial centres and hundreds of international companies.

Managers and analysts regularly visit overseas markets to gather first hand information. Long standing relationships with bankers and brokers in the major financial centres are another source of vital information. International advisory boards composed of leading business and financial figures from North America, Europe and the Pacific Basin contribute their special in-depth experience.

Introductory Offer

The Managers are offering investors a special 3% introductory discount on all four funds. This offer closes on 4th February, 1983.

How to invest

The offer price of units in each fund is fixed on one day in each week (the Subscription Day). *As a guide the offer prices on the relevant Subscription* Days in the week commencing 24th January, 1983, after deduction of the 3% discount, were as follows:-

TR General Growth Fund – 25.0p
TR Income Growth Fund – 26.2p
TR Overseas Growth Fund – 26.5p
TR Special Opportunities Fund – 25.8p

To invest in any of the funds simply complete the coupon below and return it with your cheque. A contract note will be sent to you following the relevant Subscription Day showing the number of units you have purchased. The minimum investment per fund is 2,000 units or £500 whichever is less.

Remember the price of units and the income from them can go down as well as up. Investments should therefore be regarded as medium to long term.

The TR Unit Trusts – Four Ways to Grow

1 TR General Growth Fund

THE OBJECTIVE – to achieve as high an income as possible combined with the maximum capital growth consistent with prudent investment.
THE PORTFOLIO – investments largely in the United Kingdom, with the balance in the United States and Japan, will be selected from industries and companies which offer good potential for sustained real growth, have high profit margins and maintain a consistently high return on capital. Particular attention will be paid to companies with strong balance sheets, vigorous management and a high level of internally financed growth.
THE YIELD – the gross income yield is estimated at 4¼% per annum initially.

2 TR Income Growth Fund

THE OBJECTIVE – to produce an income yield approximately 60% above the average yield available on the FT Actuaries All-Share Index.
THE PORTFOLIO – investments will be made in selected equities which promise both capital and income growth. The emphasis will be on large and medium sized companies with above average yield, predominantly in the United Kingdom. Investments will be evaluated in terms of previous dividend record, future dividend growth prospects, historic cost earnings, CCA earnings, cash flow and capital commitments.
THE YIELD – the gross income yield is estimated at 8% per annum initially.

3 TR Overseas Growth Fund

THE OBJECTIVE – *to maximise capital appreciation whilst reducing* risk by investing outside the United Kingdom both in the stock markets of countries with higher levels of economic growth than the United Kingdom and those where share prices seem unduly depressed.
THE PORTFOLIO – the majority of the investments will initially be made in major and medium sized growth stocks over a range of industries in the United States, and in convertibles and equities with a technology emphasis in Japan. The balance of the portfolio will be invested in Hong Kong and Singapore in large blue chip companies with sound balance sheets, in Australia in property, banks and natural resource companies, and in South Africa and selected countries in Europe.
THE YIELD – the gross income yield is estimated at 2½% per annum initially.

4 TR Special Opportunities Fund

THE OBJECTIVE – to take advantage of special opportunities, such as recovery situations, take-over possibilities, under-valued asset situations, and *product innovation companies.*
THE PORTFOLIO – investment, primarily in the United Kingdom and the United States, will be made on the basis of one or more of the special criteria. All investments will be regularly monitored by the managers and rigorously checked for adequate levels of solvency. The prices of the majority of the securities in the portfolio will not be closely dependent on market trends.
THE YIELD – the gross income yield is estimated at 3% per annum initially.

GENERAL INFORMATION

Dealing in Units Units may be bought or sold on a weekly basis on specified dealing days, namely: *TR Income Growth Fund – Tuesday;* TR Overseas Growth Fund – Wednesday; TR Special Opportunities Fund – Thursday; TR General Growth Fund – Friday. Prices and yields are published in the Financial Times and other leading national newspapers. Applications will be acknowledged by the issue of a contract note following the relevant Subscription Day. Certificates will normally be issued within six weeks. To sell units, write or telephone our dealers on any business day. The managers will buy back, at the bid price (which will not be less than that calculated in accordance with D.O.T. regulations) on the next Subscription Day, all units offered to them, including partial sales of holdings provided that the remaining balance is 2000 units or units having a value of £500, whichever is less. A contract note showing net proceeds of sale will be sent, usually on the day of sale, and normally unitholders will receive payment within 10 days of receipt of their validly renounced unit certificates. Charges A preliminary charge of 5% is included in the price of the units. The amount of the preliminary charge is reduced under the discount offer by 3% to 2%. An annual management charge of 1%, plus VAT, of the value of each fund is deducted monthly from each fund. Commissions Remuneration to authorised professional advisors (rates on application) will be paid by the managers. Income Distribution Income will be paid half-yearly on 28th February and 31st August, and will be accompanied by tax credit certificates which enable investors to reclaim tax if they are entitled to do so. Capital Gains Tax Authorised unit trusts are exempt from tax on capital gains and currently individuals can realise capital gains up to £5,000 from any source in any fiscal year without incurring capital gains tax. Managers Touche, Remnant Unit Trust Management Limited, Mermaid House, 2 Puddle Dock, London EC4V 3AT. (Registered Office). Registered Number 792332. The Managers are members of the Unit Trust Association. Trustee Williams & Glyn's Bank plc. Auditors Touche Ross & Co.

To: Touche, Remnant Unit Trust Management Limited. 72/80 Gatehouse Road, Aylesbury, Bucks HP19 3EB. Telephone: Aylesbury (0296) 5941

I/We wish to take advantage of your 3% introductory discount offer and to invest in one or more of the following Touche Remnant Funds at the price ruling on the relevant Subscription Day following receipt of this application. (Minimum investment per fund is 2000 units or £500, whichever is less).

TR General Growth Fund £ TR Overseas Growth Fund £
TR Income Growth Fund £ TR Special Opportunities Fund £

Please tick box if you wish net distributions to be reinvested in further units ☐
A cheque is enclosed made payable to Touche, Remnant Unit Trust Management Limited.
This offer is not open to residents of the Republic of Ireland. BLOCK CAPITALS PLEASE

Surname: Mr/Mrs/Miss
First Name/s
Address
Post code
Signature FT2
Date
(In the case of joint applications all applicants must sign and attach their names and addresses)

TOUCHE REMNANT

YOUR SAVINGS AND INVESTMENTS—2

In an exclusive interview **Rosemary Burr** discusses self regulation with Minister of Consumer Affairs

Where the buck stops . . . it could be with you

IF Dr Gerard Vaughan feared his time as Minister of Consumer Affairs would be uneventful, then his worries have proved misplaced. There is a steady stream of organisations queueing up to demand that the minister takes some action on a huge array of subjects from counterfeiting to insurance.

Vaughan, however, is philosophically against responding to such pleas with a fresh batch of legislation: "Every time a situation is abused a small group of people shout that this must be regulated. I want to stand firm—not keep jumping in—and wait quietly to look and see whether action is necessary," he states.

His response to individual issues is coloured by his strong passion for self-regulation and belief that consumers should stand on their own feet, although be suitably well-informed about the level of risk they may be taking. "Self-regulation is subtle, complex and lacks the illusory firmness of the statutory regulatory authority. But it has immense advantages for those working within it and for the customer. It is the road we should follow whenever practicable," according to Dr Vaughan.

That said, it was not surprising that Vaughan turned a deaf ear to the pleas by some members of the life insurance industry for the Government to step in and establish order in the amount of remuneration paid to intermediaries. Vaughan says "I am very disappointed that the existing arrangements which worked reasonably well have broken down. This is a good example of a case where I will not be jumped into precipitate action."

While Vaughan does not believe there is actually a commission war at present he has warned the leading life offices that if they do not set their house in order they may be forced to disclose to the public their commission rates. The companies have been told that while Vaughan is content to sit on the sidelines for a reasonable time, if any scandal develops they risk "a more draconian" response, including the possibility of the Government setting fees. Vaughan admits that such a move would "create enormous problems" and would only be considered as a last resort.

The suggestion that the Government might get involved in the licensing of insurance salesmen received short shrift. "What do they want—a nanny to put their image right" declares Vaughan.

However, when it came to the question of regulating those offering commodity portfolio management, the minister was clearly aware that there was both a gap and one that needed legislation to fill it. His hands are to a certain extent tied by Professor Jim Gower and Vaughan now thinks the final

Gerard Vaughan

report from Gower on investor protection will not be delivered until this autumn. At present he appears undecided on how best to regulate commodities.

While Vaughan admitted he faced pressure from some quarters to introduce changes piecemeal, his own preference in most cases appears to favour adopting the overall perspective even if this means waiting longer. An exception to this leaning appears to be in his response to the Cork report on insolvencies, some of which he would like to introduce as soon as possible. He is having talks with Sir Kenneth Cork, the author of the report, on how this could be achieved.

For someone who believes in giving businessmen as much freedom as possible, it could be seen as ironic that Vaughan has put his name to a set of proposals on new rules for licensed dealers which have caused howls of anguish from the City. It is clear now that these proposals, originally due to be introduced on January 1, have been revised.

Vaughan admits that some proposals went over the top and that the insurance companies are not geared up to provide professional indemnity insurance at a price the smaller investment manager could afford. The rule requiring full cover of an investment manager's liabilities is likely to emerge only in a watered-down form.

Much harder to tackle is the question of what, if any, rules should be introduced to police overseas insurance companies which offer policies in the UK. After the debacle of Signal Life, the failed Gibraltar based insurance company, the Department of Trade has tightened up on the content of advertisements insisting that overseas companies state they are not regulated by the DoT, and that they provide information on trustees and any links between the trustees and intermediaries.

Vaughan says the Gibraltar authorities had plans to tighten up their legal arrangements, while civil servants at the department state that they were taking contingency measures to prevent the people responsible for Signal Life repeating the episode.

At this stage Vaughan is clearly unwilling to go any further in the direction of regulating offshore companies which sell their wares in the UK. He says he had "made one change which seems key" and it was "like dropping a stone in a pool." However, giving the importance of insurance to the country's invisible earnings he was keen "not to start putting walls round this country" which might rebound on British companies doing business overseas.

So much for those panting at the minister's door for more legislation. Meanwhile, on the other hand, a few lone voices such as the unit trust industry feel they are unfairly burdened by rules. While the minister expresses some sympathy with the complaint that unit trusts were discriminated against *viz a viz* insurance products, he would only promise "to look" into the matter.

So what impact will Vaughan's approach have on the consumer? The watchword is evidently *buyer beware*. For as Vaughan says "I have a strong belief that freedom is good in itself — that whenever possible people should arrange their own affairs. If freedom means some scope for some people to get away with some things, that is a price worth paying."

Shareholders at question time

Forum at Shell

Shareholders of "Shell" Transport and Trading have just received their winter issue of the Chairman's Bulletin—a deliberately modest sheet published twice a year which represents only part of a pioneering effort by a large company to get closer to its small shareholders.

Shell does not just rely on the printed word. Just before Christmas, 1,000 small shareholders and their guests turned up for an 11 am meeting at the National Exhibition Centre, Birmingham. In the evening, another 800 arrived for a repeat performance.

Such figures show that the private shareholder is not dead, nor even apathetic. It is just that few companies have tried to communicate with him (or very often her) in a way which bridges the widening gap between the private investor and modern company management.

Shell's enterprise in the field of investor relations began a few years ago, when senior executives became concerned at the lack of contact with the vast number of private shareholders—there are some 320,000 individual accounts, and probably thousands more hidden under nominee names or holders of bearer shares.

The group's shareholder relations manager, Ian Arthur, points out that of this vast number, only some 300 on average attend the statutory annual general meeting.

Other forms of contact have also been minimal in the past. Shell does not send out quarterly reports by post (it advertises them in the newspapers) and even the twice-yearly dividend cheques are, for 75 per cent of shareholders, sent straight to their banks. That left, as the only form of communication, the formal annual report—an indigestible document which may be eagerly pored over by experts but which is likely to leave the small shareholder cold.

So in 1977 Shell decided to dip its corporate toe in the water and see if it could persuade shareholders to come to specially arranged meetings with management. At the beginning, there were serious doubts about whether anybody would come, and the company took the precaution of planting people in the audience to keep the question-and-answer session going.

Shell need not have worried. "It's a phenomenon," says Ian Arthur. "We never anticipated it. We were the pioneers. We are still the pioneers. We are slightly disappointed that others haven't followed suit."

The successful formula includes talks by three high level Shell managers—illustrated by slides and a film—and a period for shareholders to quiz the panel (there is never a shortage of questions). This is followed by a light buffet with a glass of wine, and a chance to meet the home team of some 25 people fielded by Shell.

Ian Arthur has been surprised to find that shareholders are willing to undertake round journeys of well over 100 miles in order to attend—some even stay in hotels. Acceptances vary between 9 and 20 per cent of those invited, depending on the distances people need to travel.

The pattern has been to hold short annual seasons of three meetings each year. This winter the road show went to Plymouth and Tunbridge Wells as well as Birmingham and the main problem, even with two sessions at each venue, has been to find halls which are big enough.

As well as the meetings, Arthur has introduced the Chairman's Bulletin as another way of communicating with small shareholders. He says that it is deliberately designed to look like a parish magazine—though it is rather more slickly produced than the average vicar could manage.

The relatively simple presentation of the Bulletin, which has now reached issue 8, seems to be generating a response. "The annual report might produce correspondence from half a dozen private shareholders," says Ian Arthur, "but the Bulletin will often generate 150 letters."

Are there lessons here for other companies? Arthur thinks so, and though disappointed that Shell is still on its own, he detects an awakening of interest among other large groups. "A few blue chip companies have sent observers to our meetings," he points out.

Whether other companies will now follow suit could depend upon the economic background. Not many companies have had such good results as Shell over the past few years, and not many (aside, maybe from the clearing banks) have had as much incentive as the oil majors to develop a wider political support.

Industrial companies have been far too much on the defensive for their managers to consider standing up in front of large gatherings and apologising for poor results, or discussing large-scale redundancies and closures.

Now that profits are in many cases getting better, more companies may turn their minds to the question of shareholder relations. But they will need to have long-term confidence. The provision of shareholders' bulletins and meetings cannot just be turned on and off like a tap in good and bad years, respectively.

Shell has proved, however, that for those who want to reach him the small shareholder is ready and willing to listen.

Barry Riley

How investment trusts have responded to falling interest rates

Balancing risks and rewards

FOR THE first time since the mid-1970s stock market crash, investment trust managers have started borrowing again in large amounts.

Ever since interest rates began to tumble in the summer, the pressure has been on investment trusts to spruce up their image by increasing their borrowings above the token average figure of 10 per cent of shareholders' funds.

The normal effect of gearing is to magnify the potential gains from equity investment—and also the potential losses, as the fate of heavily borrowed trusts in 1974-75 revealed. Occasionally borrowing may reduce risks. For example, adverse currency movements can be hedged against by taking, say, a U.S. dollar loan to finance the purchase of U.S. shares. But more gearing in the conventional sense means more risk.

Three trusts have responded to the pressures by joining the mini-revival of the corporate bond market in the autumn and issuing 30 to 40 year debentures.

But the market has so far failed to react and the share prices of these trusts remain at depressingly large discounts to their net asset values. "We have not noticed any institutional enthusiasm for gearing up," said Barry Olliff, an investment trust analyst of stockbrokers Laing and Cruickshank.

A glance at the share price performance of the investment trusts which have borrowed the largest amounts of money confirms his view. The Scottish Mortgage and Trust which issued a record £20m stepped-up debenture in October, has total borrowings of £57m and net assets of £211m—to which the share price stands at a discount of 23 per cent. The average discount for all investment trusts is 22 per cent.

The share price of the Foreign and Colonial Trust, with loans of £72m, stands at a discount of 26 per cent. The third largest borrower, the London Trust, has £44m of loans, £101m of net assets and its share price stands at a discount of 32 per cent.

Hamish Buchan and Robin Angus, of Edinburgh stockbrokers Wood Mackenzie—who were voted top analysts of the investment trust sector last year by institutional investors—have produced two circulars since November, one last week, in which they welcome the moves investment trusts have been making to gear up. They even recall the halcyon days of the early '50s, when investment trusts were using more borrowed money than shareholders' funds to finance their purchases of shares. But they do not have any expectation of a return to those days.

Their chief general argument in favour of gearing is that if investment trust managers did not believe that the prices of their shares would rise fast enough to offset the costs of borrowing (a price rise which would be magnified by gearing) "they would have no honourable option open to them other than to wind up the funds they managed." A secondary argument is that investment trusts should exploit the advantages they enjoy over unit trusts—which are not allowed to borrow funds.

In modern portfolio theory, gearing up by institutional trusts has always been regarded with suspicion. Decisions as to whether to borrow funds to invest in shares (or to lend money by buying bonds) are best made by each investor individually, according to how much risk he wishes to take with his money. Investment trusts, according to the theory, should stick to using only the money they have been given by shareholders.

Taxation alters the picture by increasing the attractiveness of borrowing, as Hamish Buchan and Robin Angus point out. The interest payments can be used to scale down the investment trust's income and dividends and therefore its liability to advanced corporation tax. (Investment trusts are obliged to pay out at least 85 per cent of the income as dividends.) The Wood Mackenzie team estimates that this factor cuts the long-term interest cost of Scottish Mortgage's debenture from 14 per cent (the coupon) to only 9.85 per cent.

The net effect of gearing is to reduce dividend payments in the short-term in the expectation of producing greater long-term capital gains—a highly attractive option for private investors facing a 45 to 75 per cent tax rate on investment income but an effective rate of perhaps only 10 per cent on capital gains (after inflation adjustment).

But the best policy for tax-conscious investors looking for a geared-up fund is to buy capital shares in a split-level investment trust. This offers them the prospect of even greater capital gains — and no dividends at all on which to pay income tax.

The other possible attraction of gearing up by investment trusts is that they, as institutions, can borrow more money at lower rates of interest than their shareholders could as individuals. This argument has some force when it comes to short-term bank borrowings.

But the phenomenon praised by the Wood Mackenzie team is the issuing by three investment trusts of long-term debentures.

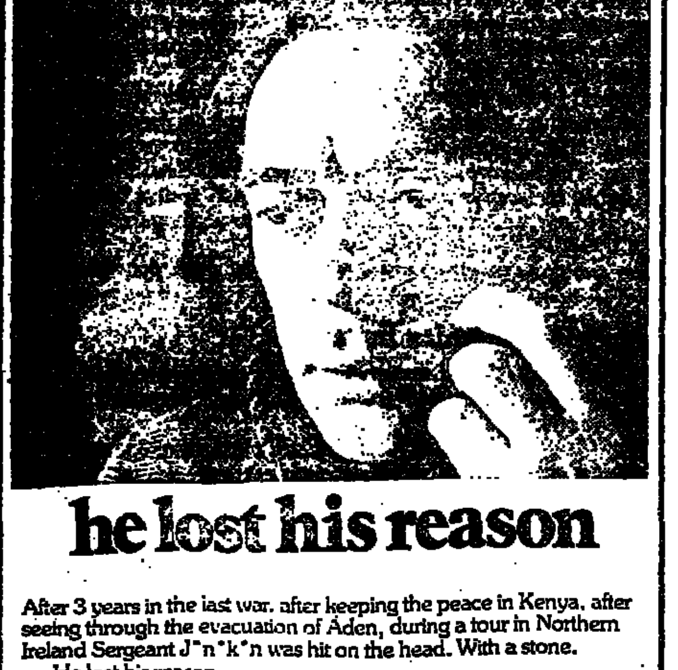
Scottish Mortgage is paying an interest rate which starts at 8 per cent and rises to 14 per cent in six years' time — and continues at 14 per cent until the redemption date in 2020. The Scottish Eastern investment trust took the plunge at 12¼ per cent while the Bishopsgate trust faces an interest rate rising from 7 to 17 per cent.

If inflation and the average rise in their share prices and yields level out at 15 per cent a year, the managers of these investment trusts will be patting themselves on the back. But if inflation drops to, say, 3 per cent a year and with it the average annual rise in their share prices, then the burden of financing these debentures will be far in excess of the returns from gearing.

And, as Hamish Buchan and Robin Angus concede, "anyone seeking to forecast inflation rates 30 or 40 years out must be either a genius, a fool or an economic theoretician."

So far at least, the market has preferred those investment trusts whose managers confine themselves to doing what they are supposed to be good at—investing in shares whose prices and dividends they expect to grow over, perhaps, a five-year time span. Forecasts of inflation and movements in the FT All-Share Index even in the second half of this decade, let alone the 1990s and 21st century, are best left to little old ladies with crystal balls with whom you can lose only 50p.

Clive Woolman



FINANCIAL TIMES SURVEY

Saturday January 29, 1983

Pensions for the Individual

Increased attention is paid nowadays by the life offices and similar bodies to the limited provision within the state pension framework for the self-employed and top executives. This survey reviews the ways open to them to improve their benefits

Remedying gaps in state scheme

BY ERIC SHORT

THE NEW earnings-related state pension scheme has been operative for nearly five years — time enough for the euphoria to wear off and for the defects to become apparent.

The present scheme, the first-ever acceptable to both Tories and Labour, was a tremendous improvement on the previous flat-rate schemes. It brought about earnings-related pensions for all employees, not just for those in occupational schemes, while still retaining an important role within the framework for company pension schemes.

Now more attention is being paid to the weaknesses of the scheme and to the gaps in the benefit structure. Certain categories of person still fail to qualify for an adequate pension from the state or from the company pension scheme.

The group most obviously treated badly under the scheme are the self-employed. Such persons still only qualify for the basic flat-rate state pension—at present £32.85 a week for a single person and £52.55 for a married couple. The planners at the Department of Health and Social Security just did not know how to fit the self-employed into the earnings-related second-tier pension, so the self-employed were left out.

The second group that qualify for an inadequate pension from the state scheme are the higher paid employees, particularly controlling directors and top executives.

It is accepted that the pension paid in retirement should be a high percentage of earnings immediately before retirement. The state scheme imposes an upper earnings limit on earnings (about one-and-a-half times National Average Earning—NAE) when calculating the pension entitlement. Earnings above this limit do not accrue any further pension.

Percentage

Thus the ultimate pension paid to persons whose earnings are above this limit is fixed in terms of that limit. Consequently, as a percentage of actual earnings the State pension declines with rising earnings. A person whose earnings are on the upper limit gets a single person pension of around 35 per cent of his earnings. A person on, say, four times NAE gets the same pension in money terms, but this is only 15 per cent of his earnings.

The third identifiable group failing to secure an adequate pension from the state is the older employee nearing retirement. The State earnings-related pension is based on the number of years' earnings since the start of the scheme in April *1978, with a maximum of 20* years. An employee retiring before April 1998 will not be able to qualify for the maximum pension.

This defect in pension provision for the older employee also occurs in company pension schemes. Here the pension entitlement is normally based on the number of years' service with the employer. An employee usually has to complete 40 years' service in order to qualify for maximum pension.

It is not entirely clear whether the Government and the authorities concerned are aware of these particular gaps. There have been no official pronouncements on the subject. But it seems abundantly clear that neither the *Government nor the* Labour Party is contemplating any radical changes in the framework of the state pension scheme.

The Government is likely to leave things completely alone if it pursues its present strategy. Any future Labour or SDP/Liberal Alliance government would concentrate on increasing the basic state pension.

However, successive Governments have encouraged persons within these various groups to make their own pension provision on an extremely tax-efficient basis. There is no more tax-efficient savings vehicle than an approved pension arrangement. But these generous tax concessions apply only to properly approved schemes.

If individuals try to do their savings themselves they will be clobbered by the taxman. The object of this survey is to explain the various concessions and the schemes to which they *apply. Research shows that* many people are still unaware of the situation and what can be done to remedy the defects.

Treatment

The self-employed can make their own pension provision through a personal pension contract with a life company, receiving tax treatment similar to that of a company pension scheme. The contributions paid qualify for tax relief at the individual's top rate tax. Investment is made into tax-exempt funds. The ultimate pension is taxed as earned income.

In addition, the self-employed can commute part of their pension for a tax-free lump sum and can provide for lump sum death benefits before retirement that are free of Capital Transfer Tax. Both these benefits are available on company pension schemes.

The tax rules are somewhat complex and there is a variety of schemes on the market. Professional guidance is needed by the self-employed and the sources of such advice are discussed in this survey.

Higher paid employees can qualify for a pension commensurate with their earnings through a company pension scheme. Most company schemes have a benefit structure that builds up to the maximum permissible pension of two-thirds *of final salary. If employees are* not members of a company scheme, then they can, like the self-employed, make provision through a personal pension plan.

Controlling directors and top executives will usually find it more advantageous, however, to set up their own individual arrangements through an executive pension scheme outside of any main company arrangements. It enables far greater flexibility in benefit structures and in contribution payments. The executive pension scheme can be a very important tool in the company financial arrangements.

The older employee in the main company pension scheme may be able to persuade his employer to make some provision towards getting a higher pension than his actual years of service would entitle him. But usually he will have to supplement his pension himself and this can be done by paying further contributions under an Additional Voluntary Contribution (AVC) arrangement, either into the company scheme or into a separate AVC scheme. The same generous tax provisions apply. The AVC pension market has grown very rapidly over the past three years.

But there are still other gaps in pension provision in the UK.

The occupational pensions movement has over the past decade or so had to cope with high inflation rates. This has caused two major problems—the maintenance of the real value of pensions and the loss of pension rights when an employee changes jobs.

Pensions in the public sector are revalued each year in line *with the Retail Price Index, as* are state pensions. However, treatment of pensions being paid in the private sector is somewhat less generous. Some companies do try to make some revaluation of pensions but usually at a rate lower than the RPI rate of increase. Other companies do little more than revalue at a fixed rate of 3, 4 or 5 per cent.

The subject of the revaluation of pensions has been well aired in recent months with the practice of public sector pensions being severely criticised. The Occupational Pensions Board and the Scott Committee have both come to the conclusion that all pensions, public and private, should have their real value maintained to offset the effects of inflation.

The Government has taken note of these findings but has done nothing more than threaten to make the civil servants pay more in contributions.

The employee looking ahead *to the time when he retires can* either try to persuade his employer to be more generous in revaluing pensions or he can try to pay more himself through an AVC arrangement. Ideally he should do both. The danger with an employee paying more on his part is that there is less pressure on the employer to do something.

Injustice

The problem of the transfer of pension rights when an employee changes jobs has been even more in the public eye following the publication of the report of the Occupational Pensions Board on the subject. This report laid down that an employee should not be any worse off in his ultimate pension simply because he changed his job. The OPB then set out certain measures which would alleviate but not completely remedy the injustice.

The Government accepted the report and urged employers to *adopt the measures set out by* the OPB. But beyond making threatening noises it has done nothing towards implementing the report. Employers, by and large, have done nothing eit

It is not the object of survey to retrace the argum for and against the pres treatment of job changers. is to explain how the emplo who changes jobs can make best use of any transfer p ment from his old pens scheme. It usually pays hin use the money to buy a pens from a life company. In past year or so certain life c panies have launched spe schemes that do enable employee to get a better pens than he would otherwise.

The campaign for the Gove ment to correct this injus will no doubt continue u something is done. But t day is far off and when act is eventually taken it will be made retrospective or e retroactive. The emplo *needs to help himself and* only do this if he understa the situation and what sche are available on the market.

CONTENTS

On this and the following two pages the options open to the self-employed are explained, including traditional, unit-linked and self-administered schemes

Personal pension plans

SELF-EMPLOYED SCHEMES

TERRY GARRETT

THERE ARE many ways an individual can make provision for his retirement but it is very unlikely that any will live up to the all-round advantages of a personal pension plan for the self-employed. Indeed the tax advantages alone for those able to take advantage of them can outweigh the benefits of other methods of providing for the future.

The various schemes on the market come in all shapes and sizes but the basic benefits of all self-employed plans are the same. The premiums are eligible for tax relief at the highest rate of personal tax on earned income: premiums built up in a recognised fund are free of income and capital gains taxes and the pension on retirement is taxed as earned income. A lump sum can be taken on retirement which is free of tax—although the amount is limited to no more than three times the residual pension entitlement.

Moreover, successive Finance Acts have increased the attractions of individual pension schemes over the years. For example, the 1980 Finance Act made sweeping changes. The overall monetary limit on premiums in force since the mid-50s (though upgraded along the way) was removed. The limit has been replaced with a figure directly related to a person's level of eligible income.

Indeed the increasing attractions of self-employed schemes have prompted a sharp rise in the level of new business over the last couple of years. In part this has been fuelled by the now widespread introduction of loan back facilities which have pulled in investors who did not want to lock up their money until retirement.

This increase in the market has inevitably created more competition among the companies involved. To promote their own products all sorts of special features have been designed and it is now very difficult for the individual to assess which plan would suit his needs best.

Yet in spite of the confusing number of schemes on the market they all have the same basic tax advantages. And although these schemes are often called "self-employed" plans they do have a wider application. Those eligible include anyone who has a line of earned income from a non-pensionable source. So apart from the obvious self-employed, members of a partnership or directors and employees whose income is non-pensionable may also be eligible.

After the changes in the 1980 Finance Act the maximum amount of net relevant income which may be put aside into a pension policy that is allowable for tax relief is as follows:

Year of birth	Per cent of net relevant income
1907	32.5
1908-1909	29.5
1910-1911	26.5
1912-1913	23.5
1914-1915	20.5
1916 or later	17.5

Net relevant income is defined by the authorities as an individual's relevant earnings less certain deductions and excluding any earned income which carries pension rights. It is no longer necessary to deduct personal mortgage interest when calculating a relevant earnings base.

It is also possible for a self-employed person to give himself life cover to provide the equivalent of an employees' death-in-service benefit for dependants. That can be by either an annuity or a lump sum payable in the event of death.

The limit an individual can channel into this type of life cover to gain full tax advantage is equal to 5 per cent of net relevant earnings. The premiums are offsetable against the individual's highest rate of personal tax much in the same way as premiums for a pension. However, any contributions must be taken into account when calculating the maximum permissible for tax relief towards a pension fund. So if a person is paying a full 5 per cent of income to life cover he only has 12½ per cent left for his pension plan.

Of course one of the biggest headaches for an individual trying to plan for the future is fluctuating earnings — part and parcel of being self-employed. In a really good year an individual may wish to put aside far more than 17½ per cent of his income towards a retirement plan. The 1980 Finance Act has offered a lot of help towards that particular problem.

A new form of "carry forward" was brought in which allows unused tax-relief from previous years to be carried forward to facilitate higher tax allowable premiums in later years. Unused relief can be brought fotward six years, which should allow for the ups and downs in earnings of most self-employed. For example, in 1981 premiums could be paid based on 17.5 per cent of net relevant earnings for that year plus any unused relief from earlier years. However, the 1980 Finance Act stipulates that the various "left over" bits of relief must be brought forward and used in chronological order. The accompanying table shows a typical case and the options available.

The 1980 Finance Act also introduced a new form of "carry back" of premiums. Now a premium paid in a year of tax assessment can be dealt with as if it had been paid in the previous year. If an individual wishes to carry back premium payments he must elect to do so during the year of assessment when the premiums were actually paid.

The general consideration of how to choose a life company and whether to opt for with-profits, unit-linked, deposit-administered or non-profits policies are dealt with in other articles.

Under current legislation that means the chance of taking a tax-free cash lump sum on retirement up to an amount no more than three times the remaining pension benefit. The subsequent pension will be treated as earned income for tax purposes whether the annuitant receiving the benefit is the policyholder or a dependant following the policyholder's death.

The present capital transfer tax rules say that if the policyholder dies before the start of the annuity the cash benefit (premiums plus interest) is aggregated into the policyholder's estate unless it is in trust as defined by the 1980 Finance Act. If the benefit passes to a surviving spouse or if it was renounced in favour of an annuity for a dependant then there is no CTT liability.

CARRY FORWARD OF UNUSED RELIEF

(Individual born 1916 or later. No pensionable earnings.)

Years of assessment	Net relevant earnings	Premium limit	Premium paid	Unused relief
1974-75	8,000	1,200	1,000	200
1975-76	12,000	1,500	1,000	500
1976-77	15,000	2,250	2,000	250
1977-78	16,000	2,400	2,000	400
1978-79	19,000	2,850	2,000	850
1979-80	22,000	3,000	3,000	Nil
1980-81	25,000	4,375		

OPTIONS

1—£4,000 paid in 1980-81 (or paid in 1981-82 and carried back by election into 1980-81). £375 of unused relief available for carry forward from 1980-81 to 1981-82. £200 of unused relief from 1974-75 lost because six years is then up. Remaining years' unused relief as shown above available to carry forward to 1981-82.

2—£4,500 paid in 1980-81 (or paid in 1981-82 and carried back). All treated as deduction from relevant earnings in 1980-81. No unused relief available for carry forward from 1980-81 to 1981-82. £75 of unused relief from 1974-75 lost, £125 having been carried forward to 1980-81 and used (ie, £4,375 +£125=£4,500). Remaining years relief carried forward to 1981-82.

3—£5,000 paid in 1980-81 (or paid in 1981-82 and carried back). All treated as deduction from relevant earnings in 1980-81. £200 of unused relief from 1974-75 and £425 from 1975-76 (ie, £4,375+£200+£425=£5,000) carried forward to 1980-81 and used. Unused relief available from 1975-76 comes down to £75, which can be used in 1981-82.

Source: Self-Employed Pensions Handbook. Financial Times Business Publishing.

With-profits provide attractive route

TRADITIONAL CONTRACTS

ERIC SHORT

PERSONAL PENSION plans for the self-employed operate on the money purchase principle —for example, the contributions paid are invested in a fund and the accumulated cash sum at the time of retirement is used to buy a pension.

This is in complete contrast to company pension schemes where the employee has his ultimate pension guaranteed as a proportion of final salary and his employer has to pay an adequate contribution rate to meet the guarantee.

The self-employed cannot get this ultimate pension guarantee. But the traditional style personal pension contracts from the long-established conventional life companies do provide varying degrees of guarantee for those investors who like to know at the outset where they stand.

The overriding factor that the self-employed need to remember is that guarantees have to be paid for. The more guarantees given, the lower the average investment return.

The highest available guarantee is that provided by a without-profits plan. Under such a scheme the pension secured by a given level of contribution is guaranteed in money terms. But the life company actuary, when making his calculations, has to assume a very conservative rate of interest—far below that actually earned by the funds—because he has to allow for every adverse feature that can occur.

Without-profit contracts were popular in 1956 when personal pension plans first became available to the self-employed. The rate of inflation was a mild 2-3 per cent and the persons buying these plans had been brought up in an era of stable financial conditions. Subsequent events have made such money guarantees worthless. Indeed the high rates of inflation in the 1970s made any fixed money return worthless. Without-profit contracts are rarely sold now.

With-profit contracts were on the market long before unit-linked pension schemes made their appearance. Yet investors should regard them as representing a compromise between the full monetary guarantee, lowish returns of a without-profit and the higher returns, with no guarantee, of a linked plan.

Best seller

This type of compromise suits many self-employed who want an above average return, yet also like certain guarantees as to their ultimate pension. With-profit pension schemes are still a best seller to the self-employed.

With-profit schemes are complicated to understand and this is not made easier because there are different variations. Some life companies take as their unit the pension payable and fund for pension. Far more take the cash sum as their unit and fund for cash. A third variation is the deposit administration type scheme which builds up cash on a yearly basis, akin to a bank deposit account.

The with-profit pension plan offers a minimum investment guarantee for a given level of contribution—either a minimum pension, a minimum cash sum at retirement or a minimum interest rate on the deposit.

Each year bonuses are declared from the profits of the life and pensions fund and added to the pension or the cash sum or the deposit rate of interest. These bonuses, once declared, are guaranteed.

Thus each year the guaranteed pension or the guaranteed cash sum increases as more bonuses are added. For a deposit administration style the accumulated cash sum rises with the added interest. Whatever the method, the ultimate pension secured is far higher than under a without-profit plan.

The other attraction of the with-profits pension scheme is the stability of the bonus rates, so that the value of the benefits rises smoothly each year depite the ups and downs of the investment market. No established life company has cut its bonus rates since World War II.

Under a with-profits pensions scheme the self-employed leaves the investment entirely to the life company. The underlying life fund is a mixture of fixed-interest stocks, UK and overseas equities and UK and overseas property. Traditional life companies were handling mixed funds long before the unit-linked life companies introduced the managed fund concept.

The investment mix, however, depends not only on the investment managers' view of investment conditions but on the size of the guarantees to be covered.

Nevertheless, investment managers in traditional life companies have a deserved reputation for good investment management. But the fruits do not go direct to the investor as with a linked contract. The life company actuary stands between.

Valuation

The actuary first determines the amount of profit to be released each year from the funds by calculating both the value of the assets and the value of the liabilities. Thus valuation procedure has two functions—to show that the life company is solvent and to ensure a steady flow of profit each year.

Then the actuary recommends how much of this profit should go to policyholders and finally he has to recommend how to share out the profit between policyholders in a fair manner.

A discussion of the various bonus systems is an article in itself. But these days bonuses take two forms. The first is the reversionary bonus which is declared annually to all with-profit policies. The second is a terminal bonus paid on policies when they become claims. For pension plans the terminal bonus is added when the self-employed is about to start drawing his pension.

Reversionary bonuses can take many forms. The rate can apply to the basic benefit or it can relate to the basic benefit and bonuses already declared or again there can be one rate applying to the basic benefit and another, usually higher, rate to the attaching bonuses. There are even more variations on how to pay the terminal bonus.

Whatever the system, the investor needs to understand how it works in order to judge how the final benefits are calculated.

This leads on to the crucial question of how does an investor and his adviser select a life company. Which one is going to provide the best return over the duration of the pension policy?

Some investors and advisers go on past performance, in that a life company that has done well in the past will do well in the future. There is more than a grain of truth in this approach but it is not infallible. A good past performance implies a good investment team and control of expenses that is likely to continue in the future. But companies are becmoing far more market-conscious and competitive and striving far harder to improve results. While there are life companies always in the top 10, there are others which have gone in or out over the years.

Other investors and advisors take current bonuses rates and project the ultimate benefits on these rates and recommend the best projected figure. Again this implies a precision that is spurious. While reversionary bonus rates are inherently stable, terminal bonus rates are much more volatile.

The adviser should pay far more attention to the life company itself. Is it inherently strong? How fast has it grown in recent years? What assessment can be made of its management? One would have thought such investigations to be fundamental in selecting and recommending life companies.

Yet little seems to have been done in this direction. So the forthcoming publication of an investigation into personal pensions by Martin Paterson Associates is a trail-blazer. This company has brought the professionalism needed in being an employee benefit company to studying this market. The section on the analysis of life companies should be a model for other advisers.

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Wide range of packages on the market

UNIT-LINKED CONTRACTS

CHRIS CAMERON-JONES

UNIT-LINKED personal contracts have yet to stand the test of time. Even so, in the five years that they have been generally available their popularity has been beyond doubt. Today they already represent over a third of the market's annual sales and this share is expected to continue to grow.

The success of the linked contracts has even weaned the most conservative insurance companies away from offering solely "with-profits" policies and the flow of new entrants has helped widen interest and maintain the momentum.

In fact the new products and their initially faster growth rate have left some of the longer-established offerings feeling something of a draught. This can, of course, be explained in part by the higher commissions given at the launch of a scheme which has the desired effect of stimulating the enthusiasm of the insurance brokers.

This phenomenon is perhaps illustrated by Standard Life, which entered the field of unit-linked contracts for self-employed in March 1980. It now has £11m of what it calls investment-linked business under its belt but over the past year the traditional "with-profits" sales have been growing at something like four times the rate of the linked.

Late starter

Norwich Union is one of the late starters, having launched its Pensionvestor linked contracts in October 1981. Yet over the past year its self-employed pension business has grown by more than 90 per cent, with the unit-linked sales accounting for a third of the advance.

But Standard Life could well give its sales extra lift following the launch this month of a new style of contract designed to give the investor the benefits of both with-profits and unit-linked contracts.

But timing, commissions and marketing techniques cannot be the only reason why the linked policies market has taken off so strongly. There is also the simple fact that this type of contract is satisfying a genuine need.

Redundancies have been adding substantially to the ranks of the self-employed in recent years. For most of these people the need for pensions will be apparent but the cost and degree of security will be of paramount importance.

The new hybrid Standard Life type of contract aside, it is the with-profits policies that have the greatest appeal to them. The higher cost unit-linked pension contracts tend, therefore, to be sold to the professional person such as the accountant, architect or lawyer. Many of these have had experience of investing, are more aware of the risks and financially better placed to accept them.

There is a risk element in the unit-linked funds but equally there are opportunities for achieving a higher return than from a with-profits contract. Like all investments the risk is generally a reflection of the level of return. A managed fund aims to smooth out the bumps and therefore returns are below those that might be achievable from a very specialised fund.

Pensions are a long-term investment, so no one is talking in terms of the punters in savings vehicles who might seek a quick short-term gain. The stress of this degree of involvement in a pension would probably mean the investor would never live to enjoy the benefits in retirement.

Nevertheless it is understandable that a person accustomed to maximising returns on his or her investments actively would find the unit-linked contract a more attractive way of pursuing a pension.

In practice it appears that the image counts more than the reality because the insurance companies are finding that the demand is mainly for the managed funds which, for the more adventurous minded, is really dodging the true spirit of the unit-linked.

Some try to play it both ways, keeping part of their investment in the managed funds, but for the rest there is the fun of designing a portfolio. Most insurance companies offer a spread of at least six funds covering interest, equities, money, overseas investment, property and a managed fund.

Last year many companies, such as Legal & General, added an indexed linked fund to their lists but with inflation on the decline client interest so far has been low. Some companies have sought to give this type of fund added appeal by making it "inflation plus." In other words the return on the fund keeps in line with the retail price index and there is an added extra in the form of a terminal bonus.

A few companies are offering more specialised funds and this might become more general, particularly in regard to overseas investment, with the breaking up of funds into selected regional funds. But with a high proportion of people opting for managed funds specialisation will rapidly become impractical for companies as they find funds being run for an uneconomic number of investors, making the exercise self-defeating since charges have to be increased.

Just what form the initial portfolio takes will depend on the duration of the policy and the investment scene when it is created. It can be argued that for a long contract opened, say, 25 years before retirement, the swings and roundabouts principle will come into play and in the end it will make little difference which fund is chosen, apart from the highly specialised ones.

This approach fails to exploit fully the advantages of the unit-linked system and is definitely an unsuitable method where short-run contracts are concerned.

The ideal method for a long contract is to seek the higher returns in the early years then gradually step down the volatility of the investments until the run-out years when a substantial part of the investment might be in a fixed interest fund enabling the timing of withdrawal of funds to be free of market influences. It would be in these later years that the index-linked funds would have increased attractions.

A dominant long-term feature of any portfolio would have to be property. While it undergoes periodic traumas and 1982 was no shining example, it is certain to be a long-run performer.

The major force in this field is Abbey Life, whose property fund last year topped £575m, making it far and away the largest—so large in fact that the 18 per cent liquid element of the fund is bigger than most other pension companies, property funds. Size, however, confuses performance comparisons for a miniscule fund can turn in a startling performance that is probably untenable in the long term.

Equity & Law's £12m property fund shows why it is wrong to make very short-term assessments. In 1982 its growth was 16.3 per cent, against an RPI of 11.3 per cent. But over three years it has increased 57 per cent compared with 37 per cent inflation.

Equity funds representing the volatile end of a portfolio are obviously something to be considered in the early years, with the overseas stock markets possibly representing something to be considered in the early years, with the overseas stock markets possibly representing the greater risk. Where specialised funds are available then the rule of thumb would be investment in the developed regions, especially North America.

The problem facing an investor of producing a soundly structured portfolio is well demonstrated by the performance of the Norwich Union's Pensionvestor funds in 1982. In a year when the FT Industrial and all share indices hit all-time highs it was not surprising that the equity fund units rose by 59 per cent. This strong growth was matched, however, by that of the fixed interest fund, while property could only put on 17 per cent and index linked was little better at 18 per cent.

But this is a reflection of history and investors, whether in pensions or elsewhere, need to look into the future. Those investors in unit-linked pension contracts who are not experienced should consult their financial advisers. These may be the insurance brokers themselves or accountants. Whoever they are, the indications from the present relatively low level of switching are that a little prodding may be needed to ensure that they are keeping their eye on existing as well as potential clients.

Choosing which company's linked contract to invest in may prove the hardest problem of all. For a start a variety of charging methods make comparisons difficult and high fees may be more than offset better performance. The choi does not promise to become a easier in future as the pensi companies vie with each oth to offer added attractions li loan back facilities, which a discussed elsewhere in th survey, and waiver of premiu during ill health.

If the banks and insuran companies get together mo often we can expect to see extension of the financ packages made available investors in unit-linked pensi policies.

SALES OF PENSIONS FOR SELF-EMPLOYED

	Regular-premium £m	Per cent unit-linked	Single premium £m	Per cent unit-linked
1978	83	28	66	14
1979	79	29	71	14
1980	92	33	96	14
1981	132	41	182	22
1982†	89	40	82	27

† First half.

Life companies all-important for DIY schemes

SELF-ADMINISTERED SCHEMES

ERIC SHORT

THE GENEROUS tax concessions available to the self-employed to enable them to save towards their pensions apply only if they invest in a Personal Pension Plan from a life company.

If the self-employed endeavour to run their own portfolios, using their usual professional investment adviser such as their stockbroker, then the Inland Revenue offers them no favours.

Indeed, a Do-It-Yourself approach gets severely punished by the tax man. For a start, the self-employed have to save out of net income instead of getting full tax relief on the contributions as with a personal pension plan.

Then again, a private portfolio will be subject to income tax and investment income surcharge on the dividends and interest and gains on switching investments will be subject to Capital Gains Tax (CGT). Under a personal pension plan, investment is made into tax-exempt funds.

Finally, when the self-employed comes to draw his pension there is no tax-free lump sum commutation. Moreover, cashing-in of investments will be subject to CGT. Income from the fund would still be taxed as unearned income, whereas the pension paid under a personal pension plan is taxed as earned income.

But all is not lost for the self-employed who wants to run his own portfolio with his own investment managers. Various groups have designed means of providing this facility while still retaining the tax concessions.

There is no way round using a life company scheme to get the tax concessions. So the DIY scheme first finds a life company that is willing to co-operate.

Customer's choice

The life company establishes the personal pension plan solely for the particular self-employed. It then appoints as investment manager to this particular plan the self-employed's recommended investment manager.

The scheme operates on the unit-linked principle; it would be impossible for any conventional style scheme to offer a DIY facility. The scheme is in the name of the life company and has to be included in its annual returns. The unit linking makes it possible to identify each scheme.

The investments are held in the name of the life company but are managed by the appointed investment manager, not the life company's own investment team.

The investment manager may be the self-employed's own stockbroker or he may be someone appointed by the insurance broker who arranged the facility. These schemes have to be approved by the Superannuation Funds Office of the Inland Revenue and it would be perturbed if the appointed investment manager were inexperienced.

In theory the investment manager would be looking after the portfolio for the life company. In practice he would be managing it on behalf of the self-employed in a manner similar to that applying to a private portfolio.

Because the assets are held in the name of the life company the investments are restricted to those permitted under the Linked Properties and Indices Regulations 1975. But the prescribed list of investments covers a very wide range of cash, fixed-interest, equity (UK and overseas) and property holdings, both direct and through unit trusts.

The main exclusions are residential property, unquoted shares and share options and financial futures. Shares on the Unlisted Securities Market are acceptable, however.

Once the scheme has been established the life company has very little involvement in the operation of the scheme. It will be responsible for some of the administration such as calculating the unit price. Otherwise the role of the life company is that of a sleeping partner.

The life company still receives the charges from the scheme and the investment manager will need reimbursing. There could thus be an element of overcharging by the life company for the work it does but the latest style DIY schemes are negotiating reduced charges.

Pointon York, the Leicester-based brokers who were the first into this field, have negotiated with their life company Property Growth Assurance a scale of reduced charges to reflect the reduced involvement of the life company. Pointon York's charges are on the usual basis for a professional adviser—an initial charge plus a percentage of the contribution and the fund on renewal.

Insurance brokers and employee benefit consultants Richards, Longstaff—another of the early movers into the DIY pension field for the self-employed—is endeavouring to get the legislation amended so that schemes do not have to use a life company in order to get approval and qualify for the tax concessions.

It claims that life companies are no longer necessary—but an early change in the legislation is unlikely and the self-employed will have to continue to use a life company.

These self-administered schemes offer a useful vehicle in the financial planning of partnerships. One of the problems with partnerships arises when a senior partner wishes to retire and looks to the other partners, or perhaps a new junior partner, to buy him out. Often this can be a severe burden, especially if the property owned by the partnership is in the name of the senior partner.

Partners

So the senior partner sets up one of these schemes for the partnership. The partners pay their contributions into the scheme and the assets are built up in cash until they are sufficient to buy the property from the senior partner. The property is transferred to the name of the life company but effectively it becomes part of the assets of the pension scheme.

The idea of a DIY scheme has been somewhat slow to catch on, although many self-employed, particularly partnerships, have shown keen interest. The problem is that to get such a scheme off the ground it has to be a collective basis to meet the minimum contribution requirements.

Ideally there should be a separate scheme for each of the partners, each with his own investment adviser. This is a natural requirement since each partner will have different requirements regarding investment. A partner neari retirement is concerned w preserving the value of share of the portfolio. younger partner is much m concerned with building up value and is prepared to more adventurous — instance, investing heavily ov seas.

Most schemes now bei established have the facility separation once a partner built up sufficient value w his units.

Richards, Longstaff int duced its own scheme mana by the Bristol-based sto brokers Stock Beech usi Trident Life because it felt it could do better than a l company. It offers the s employed with no regular vestment adviser an alternat to a straight life compa scheme.

The latest venture into t field comes from stockbrok Capel-Cure Myers as a natu extension of its Moneycare s vice for individual investo The firm has linked up with S Life to offer Personal Pensi Funds. It has a streamlin sharing structure, with swit ing facilities into both S Life's standard unit-link pension funds and Sun Lif conventional with-profits fu The latter is a useful switch the partner nearing retirem who wishes to hold the va of his fund. Above all, plan has the facility for a s employed to create his o fund, provided the value of investment is £50,000.

Useful cash facility has caught on like wildfire

LOANBACKS

ERIC SHORT

A PENSION arrangement approved by the Inland Revenue is the most tax-efficient means of saving towards a pension, whether it is a company arrangement or a contract taken out on an individual basis. But there is one major disadvantage.

Such schemes tie up a growing amount of capital that cannot be touched, irrespective of the financial needs of the company or the individual. There may be a desperate need for cash but the pension scheme assets are inviolate. They are there to secure the pension liabilities, not to be used as a cash reserve.

An employer with a self-administered company scheme having its own investments can alleviate the situation by borrowing from the pension fund.

There has been considerable discussoin on the desirability of self-investment back into the parent company. The view generally held is that any such loanbacks should be on a commercial basis and not exceed 10 per cent of overall assets.

The Superannuation Fund Office (SFO) of the Inland Revenue, which is responsible for approving pension schemes for tax purposes, has no stated views on the subject as far as the main company pension scheme is concerned. It is left to the trustees of the scheme to decide on the suitability and terms of the loanback.

However, the SFO does have strong views on loanbacks for Small Self-Administered Schemes—the official name for executive schemes handling their own investments and administration. The ability to borrow from the pension scheme was one reason why such schemes have become popular over the past few years. So the SFO in its famous Memorandum 58 laid down that loanbacks to the company must be on commercial terms and not exceed 50 per cent of the pension scheme assets.

This restriction is far from onerous and does not stop companies from having considerable flexibility in their financing arrangements. The uses of these loanbacks in company financing are discussed in another article in this survey.

Company pension schemes insured with a life company do not have this facility to borrow from the life company, or even to treat any loan as part of the pension scheme assets. However, competition from self-administered executive schemes virtually forced life companies to offer a loan facility on life company executive schemes on the same basis of up to 50 per cent of the value of the pension contract.

Barred

Personal pension policies for the self-employed have been barred from outset from being used as security for a loan; nor can the life company make loans or advanced payments to the individual from the pension policy. Then about 18 months ago Vanbrugh Life, a member of the Prudential Group, designed a scheme to enable the self-employed to use their pension policy to obtain a loan.

The basic theme of the self-employed loanback scheme is as follows: the self-employed can get a loan from a financial institution providing he or she has a personal pension contract. The loan is on an interest-only basis—i.e., the self-employed only pays interest during the term of the loan. The loan is repaid when the self-employed person starts to draw his pension when he can take his cash commutation.

There are many variations on this theme. The maximum loan can be the current value of the pension policy or it can be a multiple of the annual premium—15 or 21 times seem to be the two usual factors. The loan can come from the life company itself or it can come from a clearing bank or other banking institution. Some schemes even allow interest to be rolled up, with the accumulated amount being repaid when the self-employed starts to draw his pension.

The personal pension policy still cannot be assigned, so the borrower has to use some other form of asset as security. The financial institution cannot take a lien on the cash commutation. Thus it is relying very much on the covenant of the borrower.

Yet under these schemes the loanback facility is automatic, with no inquiries into the purpose of the loan or the status of the borrower. The institutions could be building up problems for the future but that is another matter.

Despite these limitations the loanback concept spread like wildfire. A life company that did not offer a loanback scheme found that intermediaries were not selling their personal pension contracts. Many banking institutions seemed only too willing to provide the funds and handle the administration in these schemes.

The loanback proved to be a major marketing aid to selling pension contracts to the self-employed, who apparently consider that loanbacks unlock the pension scheme assets. Sales of personal pension contracts have climbed steadily since the Vanbrugh introduction of the scheme.

Of course, loanbacks do nothing of the sort. The pension fund remains untouched until the pension is drawn and the cash commutation becomes available. So in theory there is nothing new in the concept, since the self-employed could always pledge assets as collateral for a loan.

In practice the loanback facility lessens the dependence of the self-employed on their bank manager for loan facilities. As stated, loanbacks are automatic and not repaid until effective retirement—no requests for repayment at awkward times. Hence their popularity.

The original intention of the loanback facility on personal pension contracts was to offer the self-employed a source of finance for their businesses comparable to loanbacks to companies on executive pension schemes.

But with the self-employed, business and personal finances are intermingled. It was not long before the self-employed were using loanbacks for private purposes as wel as for business reasons. Indeed, many intermediaries report that the self-employed are using loanbacks on their pension plans private purposes and bank facilities for business purposes.

This is illustrated by yet a further development—the use of a personal pension instead of a low-cost endowment assurance policy to repay a house mortgage. After all, for many self-employed the main asset available for collateral is their house, so why not use the pension policy at outset to finance buying the house?

The pension policy is doubly tax-efficient compared with a low-cost endowment. The premium on the pension contract gets tax relief at the borrower's top rate, compared with half basic rate on the endowment. Then, again, with a pension contract investment is made into a tax-exempt fund leading to an accelerated build-up compared to an endowment which invests in a taxpaying fund.

The disadvantage with using a pension policy is that the overall premium payment is higher, since only one-third of the premium is used to build up the cash sum; the other two-thirds provides the pension and the two cannot be separated.

Uses

Some building societies are now accepting pension contracts to repay mortgages, while the banks were the first to realise the uses for mortgage repayment. The Bank of Scotland has been very active in this area, having link-ups with several life companies.

It reports, however, that most borrowers are using the mortgage facility to buy second homes—often abroad—with the main home as collateral.

It was not long before controlling directors and top executives were demanding personal loan facilities on their pension schemes on a par with the self-employed. Life companies are now providing such facilities, in addition to the company loanbacks on the pension schemes, even though there is some doubt as to whether this contravenes the Companies Act regarding loans to directors. Although there has been no official statement, it would appear that the Department of Trade has a relaxed view about these personal loans.

However, the SFO is very specific that small self-administered schemes cannot make personal loans to beneficiaries—ie, to the directors and executives in the scheme.

Independent view helps to make sense of the many policies

PROFESSIONAL ADVICE

RAYMOND SNODDY

MR IAN WILSON, a director of Noble Lowndes, the personal finance advisers, likes to tell the story of the solicitor who should have known better and the pension he bought on the doorstep.

Ian Wilson says that despite the man being two years into his pension scheme he was able to save him £100 on his annual premium of £600 for no discernible loss of pension entitlement. "It just didn't make sense. If he had come to us in the first place the saving would have been £150 a year," Mr Wilson says. This small example is an indication of the wide variety in the costs and benefits of pension plans and the extent to which otherwise sophisticated people can be persuaded to suspend their critical faculties when dealing with their personal finances.

Too many people still buy a product costing many thousands of pounds without a fraction of the attention they would give to buying a new car.

For all but the most strong-willed and hard-headed some professional advice is likely to be needed when choosing a pension plan or organising one's own.

Split

There are 130-140 companies providing pensions in Britain and some companies are better in some aspects of provision than others. Ian Wilson says he might split a client's pension up among three, four or even five companies to get the most suitable mix of such constituents as pension, life cover—both conventional with-profits and unit-linked—and disability cover.

The magazine Planned Savings has also shown through its regular surveys the wide variations in performance. For an annual premium of £500 over a 20-year period the annuity paid to a 65-year-old man on August 1 1982 by the Prudential was £6,367, with an accumulated cash fund of £35,539.

The comparative figures for the Life Association of Scotland according to the survey were a total pension of £2,498 and an accumulated fund of £15,112.

The choice of pension is made even more complicated and the need for professional advice a pension on retirement is only one of several objectives involved.

Because premiums are fully tax-deductible more pensions are probably taken out for tax relief reasons than any other. Equitable Life, for instance, has to keep its offices open over the weekend in the period around April 5 to cope with the last minute rush of clients sent by their accountants with the urgent instruction to "lose" some excess income before the end of the financial year.

Pensions are also increasingly being used to raise loans to buy into partnerships or in preference to endowment policies for mortgages.

Though strictly speaking pension plans are not collateral they are taken as evidence of ability to repay loans and attract interest rates in the region of 2 per cent above the base rate. There is no shortage of advice on offer to people trying to pick their way through the pensons maze. The question is how to be sure of the quality and independence of that advice.

The best advisers will carefully elicit what the individual really needs and present the advantages, disadvantages and the options. The worst advice is likely to be on commission, on the doorstep and hard selling of the wares of one company.

The sources of advice range from direct salesmen through professionals such as accountants, solicitors, estate agents and bank managers to brokers and specialist personal finance managers.

All will claim an abiding affinity with the interests of the client and a natural superiority in the quality of their advice.

Here are some of the main points to watch for.

How independent is the advice being given? How big a commission are they on? It can be up to 50 per cent of the first annual premium. Is a true element of comparison involved? Has the plan being offered a good track record? Can the policy be varied easily when the individual's income changes for better or worse? Is it the most suitable for the purpose intended?

Let us look at some of the advisers and the role they play.

● Direct Selling there is no intrinsic reason why a company using direct selling methods should be better or worse than any other. Some indeed have a very good financial record. But many such policies are sold by depend on commission for their livelihood and are extremely unlikely to point out the deficiencies in their product. Commission is higher on the inflexible policies which commit the purchaser to paying a specific sum for a specific number of years. Staff turnover is high and continuity of advice where relevant is unlikely.

● Professionals. Though solicitors and estate agents refer clients to companies and brokers, most of such business probably comes from accountants.

Accountants argue that because they have regular dealings with a client's financial affairs and ought to be familiar with the implications of the latest Finance Act they are in the best position to advise on pensions particularly where tax relief is the main motivation.

Contact

"We would expect to be the central point for financial advice for all our clients because we have the most contact with their financial affairs," says Mr David Tallon, a partner in the London firm of chartered accountants Dearden Farrow.

In particular he cautions against inflexible policies which cannot be varied. "All financial planning must be a continuing stream of advice. You cannot freeze the frame on a financial plan and hope that it will survive the test of time. The legislators are always making sure of that," adds Mr Tallon.

Accountants could recommend either life companies direct or the services of brokers. In both cases they would have to disclose any commission received and although this could not be deducted from the premium Mr Tallon says many accountants would use it to reduce the client's accountancy bill. "We get no financial benefit apart from goodwill," he says.

Accountants also advise those who want to set up and manage their own pension plan. Such schemes have to be administered by someone from a special Inland Revenue list—usually an actuary. Bank managers also give advice on pensions but their normal role is as first point of contact for the customer, who is then referred to the insurance services organisations run by all the main clearing banks.

The bank insurance services organisations act essentially as brokers and indeed their staff insurance rather than banking.

Mr John Howat, a director of Midland Bank Insurances Services, says the company would be prepared to do business with as many as 65 companies, though most is actually done with between 20-30 and that well under 10 per cent of total business is done with any one company.

"We try to be as altruistic as we can because we don't want to upset the bank customers," says Mr Howat.

● Brokers. Brokers tend to mutter "canard" when the issues of commission charges is raised and any suggestion is made that the generosity of commission offered could in any way influence a broker's attitude to a company.

Still, the sitution has recently changed. Under the Insurance Brokers Registration Act registered brokers do have a code of conduct which requires the broker to put the interests of the client first and offer a genuine choice of policies. The code is backed up by a disciplinary body.

"We have to declare every year if we place more than 15 per cent of our business with one company," Mr Howat says.

The British Insurance Brokers Association points out that to place more than 35 per cent of business with one company is not allowed unless there are special circumstances.

Companies often give financial benefits to customers for work conducted through a broker. Provident Mutual, for example, has a contract which can increase the benefits by up to 20 per cent if the work is conducted through a broker whose total annual business with the company is above a minimum figure.

There is one obvious limit to the comprehensiveness of broker's advice.

Mr Mark Daniel, marketing supervisor of Equitable Life, says the chance of his company getting any business from a broker is very slight, though according to Planned Savings the company has been in first or second position in the league tables since the surveys started. The reason is that the company does not pay commission to intermediaries — although of course it has to pay for staff representatives and advertising.

But perhaps the advice all the pension advisers agree on is that for the self-employed the tax advantages of a pension are too good to miss and the biggest mistake of all is for the individual to postpone pension provision until it is either too late

PENSIONS V

Articles on this page and the next review the company executive's situation both within the occupational scheme and in terms of other provisions

High level of benefits available

EXECUTIVE SCHEMES

ERIC SHORT

TEN YEARS ago, in 1973, a major change in social security legislation enabled controlling directors to become members of a company pension scheme as an employee of the company, instead of being regarded as self-employed for pension purposes. This simple change opened up a completely new pensions market for life companies—the executive pension market.

There has always been a steady market for pensions schemes for executive directors and top executives in public companies which top up the benefits provided under the mainstream company pension scheme. But controlling directors, usually in small companies without a pension scheme, need quite separate treatment.

Controlling directors still have the choice between taking out a personal pension plan or setting up an executive scheme. Although both are highly tax-efficient savings schemes, the benefits provided are very different.

Broadly speaking, a personal pension plan operates on its contributions. There are maximum contribution payments and no limit to the benefits the accumulated sum can produce. An executive pension scheme comes under the company pension structure where maximum limits are placed on the benefits and contributions are as high as is necessary to fund for these benefits.

So what can an executive scheme provide? One starts with the pension limits, though most executives are far more interested in the other benefits provided. But the pension is the official *raison d'être* for the scheme.

Employees with at least 10 years service can be provided with a pension of up to two-thirds of final salary. For less than 10 years service the maximum pension is scaled down.

Next comes the lump sum benefit at retirement. The member of the pension scheme can exchange all or part of his pension, on an approved formula, for a tax-free lump sum equal to one-and-a-half times final salary providing the executive has at least 20 years' membership of the scheme. For shorter service a reduced scale operates.

Cash sum

In the event of death before retirement a cash sum of up to four times salary can be paid, together with a refund of contributions plus a widow's or widower's pension of two-thirds of maximum prospective pension. The widow's or widower's pension provisions apply to death after retirement. Cost of living increases can be made to the pensions.

It should be emphasised that these benefits are not specific to executive schemes. They are available on all company pension schemes. But few if any company schemes could afford to provide as generous a level of benefits to the whole workforce.

The levels of benefits are in general far higher than could be provided under a personal pension plan, simply because the self-employed still cannot pay high enough contributions in the later years to reach a two-thirds pension.

But pensions have to be paid for. The contribution rate to cover these benefits has to be ascertained by an actuary. With a life company scheme the life company actuary would determine the cost. For a self-administered scheme the contribution rate would be calculated by a consulting actuary.

The contributions qualify for full tax relief, the employee receiving tax relief at his top rate, excluding investment income surcharge, while the company gets full corporation tax relief on its contributions. This cuts back on the net cost to both individual and company and represents a means of passing on assets from the company to the individual.

Investment is made into a fund that is tax-exempt. Indeed with all life companies investment is made into the same funds whether it is an executive scheme or a personal pension plan.

But these tax concessions offer executives a wonderful opportunity to enhance their overall remuneration package and minimise their tax liabilities.

For a start, all benefits are based on salary within a very wide scale of definition. The executive can contribute up to 15 per cent of his salary, getting full tax relief. So if he makes the maximum contribution and gets his salary increase so that his net salary after pension contributions is unchanged his benefits will be higher, being based on his gross salary.

The lump sum death-in-service benefit is free of Capital Transfer Tax and this has wide implications in his personal financial planning.

The company can make good use of the contribution payments in its financing, especially with a self-administered executive scheme. Discussion with an expert adviser can highlight the uses of executive schemes both for the executive and for his company.

The life companies have been marketing executive pension plans quite strongly in the years since the legislation changed. Has the message come across to directors concerning the use of executive pension schemes? Some interesting answers have come up in a survey* just made available by Noble Lowndes and Partners, a leading firm of employee benefit consultants, in conjunction with the Institute of Directors.

The aim of the survey was to discover what provisions directors have made regarding their pension and covered 326 members of the Institute, representing a cross section of members. About two-thirds of members were directors of private companies and the other one-third of public companies.

The previous joint survey was made in 1969, so Noble Lowndes was able to judge the effect of the 1973 legislation.

The main conclusions were that considerable progress has been made by directors in pension provision. A summary of the main findings of this survey is :—

- Many more directors are now members of a company pension scheme, either an executive scheme or the main company scheme plus additional provisions—75 per cent against 55 per cent in 1969. Legislation and the marketing efforts of the life companies have shown some fruits;
- The level of benefits were very much higher. First there was a considerable increase in the pension levels themselves. Some 54 per cent expected a pension of two-thirds of final salary compared with 26 per cent in 1969. Two-thirds of directors also expected to get their pension increased, against one-third previously.
- There has been a rise in the level of death benefits, with 76 per cent of directors having a widow's or widower's pension, against 35 per cent previously.
- The provision of lump sum death-in-service benefits has changed little, being 93 per cent against 91 per cent in 1969. However, before the legislation the main provision for directors was lump sum benefits.
- There is a strong trend towards earlier retirement. In 1969 82 per cent of directors had a normal retirement age of 65, with only 8 per cent retiring at 60. Now 64 per cent retire at 65 and 24 per cent at 60. In addition, 40 per cent of directors would like to retire earlier than their normal pension age, compared with 18 per cent who would like to retire later.

But the survey also showed that many directors were not taking full advantage of the tax concessions available or making use of the pension benefits in their financial planning.

Many directors — 25 per cent — were giving up salary increases to provide for their pension, thereby cutting back on the base line on which benefits are calculated, instead of paying contributions. Only 10 per cent of directors were making use of the Additional Voluntary Contributions facility.

A fifth of directors still had a retirement cash option based on the old limits and had not revised their pension plan plans to allow for the $1\frac{1}{2}$ times salary limit for tax-free cash at retirement.

Finally, the survey showed that the directors in the sample used 49 life companies for their pension arrangements.

* *Pensions for Directors; Noble Lowndes and Partners, P.O. Box 144, Norfolk House, Wellesley Road, Croydon CR9 3EB; £60.*

TOP TEN SHOWING

(Based on adjusted pensions by Planned Savings)

10 years	1977	1978	1979	1980	1981	1982
Equitable Life	1	1	1	1	1	1
Prudential	3	2	2	3	4	3
Provident Mutual	4	3	3	5	7	5
Time	6	6	9	—	—	—
GRE	7	—	10	9	8	—
London Life	8	7	8	10	—	—
Yorkshire General	9	9	6	—	10	10
National Provident	2	4	4	4	2	2
Crusader	—	10	7	6	—	—
Norwich Union	—	—	—	2	3	4
Equity and Law	—	—	—	—	5	6
Sentinel	—	—	—	—	6	9
Scottish Equitable	—	—	—	—	9	7

WITH-PROFITS

Top performers over 10 years. Annuity payable to male aged 65 on August 1 1982 for annual premium of £500.

	Accumulated cash fund
NPI	£10,527
Equitable Life	£10,400
Standard Life	£9,782
Yorkshire General	£9,772
National Mutual	£9,511
Provident Mutual	£9,371
Scottish Mutual	£9,365
Prudential	£9,328
Norwich Union	£9,259
Equity and Law	£9,209

Tenuous guidelines

PERFORMANCE

TERRY GARRETT

AT THE end of the day the pension and cash sum that a personal pension plan can yield will depend on two basic elements—the amount paid in and the investment performance of the underlying fund. The first factor can be easily regulated by the individual within the confines of actual earnings. The second is out of the investor's hands once he has made his initial choice of how and where to invest his premiums.

The important questions are what type of contract to go for and what company or companies to invest with. In making these crucial decisions the individual has little evidence to go on. Deciding what type of contract or how to spread investments over different types of contract are perhaps the easier. But in coming down in favour of one company against another the investor has two rather dubious guides. Past performance cannot be challenged. But does it really give any guidance to the future? Projections are all very well but that is all they are—there are no guarantees as to a pension in 10 or 20 years' time.

Undoubtedly the traditional with-profits schemes have come under increasing pressure from unit-linked contracts. Yet the with-profits plans are probably still the most popular route for individuals to secure pensions for their retirement. But even within the traditional with-profits field there is a divergence of views over two basic types of contracts—the deferred annuity and the contract funded for cash.

The deferred annuity contract funds for a pension at retirement. Each premium the individual pays over to the company buys a guaranteed amount of pension. The life company will add bonuses to the amount throughout the term of the policy and once these bonuses are declared they cannot be taken away. So *the attraction of* this form of funding is that the investor knows exactly how his pension entitlement is rolling up and he has security of pension no matter what the annuity rates are at the time he retires.

The funding for cash policy works exactly in the same way as a deferred annuity policy except for one important fact. The policyholder can watch his cash mount up so that he knows exactly the amount he has accumulated at retirement age. But then he has to use that cash to buy a pension. What he can purchase will fluctuate with annuity rates, which will move in line with interest rates. So, as recent history shows when interest rates fell rapidly, an individual retiring last summer would have been able to provide a better pension for himself than someone retiring now when rates are a few points lower.

Over the last decade or so it is generally true that funding for cash contracts have provided the most profitable option because of high rates of interest and inflation. Yet again past performance cannot be blindly translated into future projections and though these contracts often carry some guaranteed annuity rate it is invariably a fairly low one.

While there are obvious problems on basing decisions on past performance—not least that the contract on offer may be very different from one on sale a decade ago — historic data should offer some guide as to the companies' investment expertise.

Statistical tables recently published by Planned Savings have been summarised in the tables above. Based on the accumulated cash fund NPI comes out leader over a ten-year period at £10,527 and a leading pension figure of £1,695. The Prudential, which has come out eighth in the league table for this year, would have come out top on a twenty-year basis.

Consistent performance perhaps offers something more sensible on which to base an investment decision. Planned Savings has made some adjustments to the reported results in an attempt to standardise the results and that shows how Equitable Life leapfrogs to top place. However, adjusted or not, the performance of the top ten companies does not vary widely. Lower down the league tables some really startling figures are thrown up. For the investor making a decision today the fear is that in ten years' time his company will be one of the "horror stories."

So the next viewpoint must be on future projections. Again the flaws of looking at past performance must be borne in mind. Moreover the treatment of terminal bonuses varies from company to company; not all of them quote these in their projections.

Equity and Law comes out pretty well with its projections. Over a 20-year period it came out top at the time of the Planned Savings survey in terms of both pension and accumulated funds, using the basis of annual premiums of £500 and a retirement age of 65. It also won the day with its projection for accumulated cash on a ten-year view, though it was beaten on the projected pension by Scottish Mutual.

As with past performance the range of projections is pretty wide.

Unit-linked contracts tend to be more volatile simply because of the nature of their investments. However, some of the early doubts over the wisdom of funding for a pension through a unit-linked contract have to a certain extent evaporated in recent years in the light of experience.

Of course, against traditional policies unit-linked are still relatively new and the ten-year track record is still far from overwhelmed by entrants. Nevertheless the advance recorded by Save and Prosper's Property Fund certainly adds

Clear-cut advantages for controlling directors

SELF-ADMINISTERED SCHEMES

TIMOTHY DICKSON

WHY USE executive pension schemes? Besides wishing to supplement retirement income from the state or from an occupational pension scheme, the key incentive lies in the major tax advantages—especially for controlling directors. Income tax, corporation tax and Capital Transfer Tax (CTT) can all be saved and if the "self-administered" route is followed even more flexibility in financial planning can be achieved.

Executive pension schemes marketed by life insurance companies are operated on a "money purchase" basis. In other words what comes out as a pension at retirement is only what is paid into the fund plus accrued interest and capital gains. The size of the ultimate "payout" depends solely on investment performance and annuity rates at the time.

This concept is distinct from that of a typical group pension scheme which is designed to pay out benefits at a predetermined level. Every company "contracted out" of the state scheme has to operate an occupational scheme to boost the state pension received by women employees at 60 and men at 65.

Executive pension arrangements are typically used to supplement an existing policy for key employees or perhaps as a straightforward employee benefit. One major advantage in this sort of situation is that the administration is kept totally separate from the main fund and should therefore not arouse the envy of the rest of the workforce (who need not know about it).

A further use of an executive plan is to increase the rate of build up of benefits under an occupational scheme to the maximum 40 years—most work on the basis of an annual accrual rate of 1/60th of final salary for each year of service.

But the tax advantages of an executive scheme are most clear-cut for controlling directors in a private company (in other words directors who own more than 5 per cent of the shares and are part of a team which controls over 50 per cent of the company).

Broadly speaking the vast majority of schemes aim to provide benefits for individuals which are missing in other arrangements. Examples include simply a bigger pension, a tax-free lump sum on encashment (which is not available with an occupational scheme) or better death in service benefits.

What then are the tax advantages and how can they be maximised?

First there is the tax relief on contributions. Individual contributions attract tax at the top marginal rate for earned income (currently 60 per cent) while contributions made in the name of the company can be offset against corporation tax—the standard rate of 52 per cent or the smaller companies' rate of 40 per cent.

As with all pension funds the contributions under an executive scheme build up free of income tax and CTT. Provided it is propertly administered a pension fund's only tax liability should be to Development Land Tax.

Individuals, incidentally, cannot offset contributions against the Investment Income Surcharge but it is worth noting that the proceeds of an executive pension are taxed as earned income and are not therefore hit by this supplementary levy.

Dependants

A particularly attractive feature of executive schemes is the generous death in service benefit which can be paid free of all taxes (including CTT) to a named dependant. The maximum permitted is four times the *gross* salary at the time of death so that a modest net increase in an individual's contributions can substantially boost the death in service pay-out.

Gareth Marr, marketing director of pension consultants Pointon York, points out that most people tend to nominate their spouse — a move which, he believes, is not always advisable. "Transfers between husband and wife are in any case free of CTT," he explains," so if you want to start passing your estate to the next generation it can be a good idea to leave enough for your spouse to survive comfortably with the rest going say, to the children."

Self-administered in pension planning is not a totally new concept but it was only relatively recently (1975) that such arrangements have been available for schemes with less than 20 members. The idea should particularly appeal to and has been marketed aggressively at controlling directors since it involves special advantages.

Although they have been sometimes shrouded in mystique, not to say controversy, self-administered schemes are perfectly straightforward in principle. What it means is that the members actually direct their own investment policy—they act as the trustees—rather than leaving an insurance company to decide the mix between, say, gilts, property, equities and cash.

Although many do offer a variety of "self-administered" schemes there is no need for a life company to be involved. Provided the scheme has been properly constituted under the Inland Revenue requirements controlling directors can retain independent advisers and run it themselves. In this way cost savings should be possible since life insurance commissions can be reduced.

Self-administered schemes are also appropriate for many small companies used to retaining tight control over their businesses. The prospect of controlling their own destiny in retirement as well is attractive.

One of the key advantages of self-administered schemes is that the Inland Revenue allows contributions to be varied (*within reason*) each year. Thus in a good year the directors of a company can tuck away more than usual towards their retirement and hold back when times are tough.

This can be particularly useful in avoiding the higher rate of corporation tax. The small companies' rate applies to profits below £90,000 but in order to "catch up" to the higher rate of 52 per cent above £225,000 the effective rate charged between £90,000 and £225,000 is a stiff 60 per cent. Thus if pre-tax profits of £100,000 are anticipated it could well be advisable to put at least an extra £10,000 into the directors' pension scheme.

Another major benefit of self-administered schemes is that the directors (acting as trustees) can invest in their own commercial property provided it is a long-term investment. It can then be leased back (at a commercial rent) to the company. A key incentive here is that when a member dies the property does not form part of the business for purposes of valuation and therefore CTT can be significantly reduced.

As one pension consultant puts it, "Many directors looking to the future believe that the company is their pension. More and more, however, are coming to realise that it is not just as simple as that. You can't always sell the company, there is CGT to pay and especially at the moment it may not survive a recession."

One of the most widely publicised benefits of a self-administered scheme is the so-called "loanback" facility. Under this arrangement the company can effect an ordinary executive pension plan for its directors and senior executives and when funds have built up to a suitable level may take a loan of up to 50 per cent of accumulated funds. Occupational funds typically would only invest a very small proportion of assets in the employer's own business.

Essential guidance on appropriate choice

PROFESSIONAL ADVICE

JANET WALFORD

UNLIKE the case of the self employed there is no need to involve an insurance company at all under a company pension scheme during the building up of funds for retirement. Provided the scheme is properly constituted under Inland Revenue requirements controlling directors can retain independent advisers and administer the scheme themselves, while still retaining the substantial taxation benefits inherent in such schemes.

The concept of the "self-administered" scheme has caught on so well in the last few years that in order to counteract this growing competion the life offices have come up with a variety of executive pension schemes to attract funds. With such a wide choice of schemes on the market, however, how does a company director decide whether to go the insured or self-administered route? How does he select suitable investments and make maximum use of any loan facility? I contacted a selection of pensions advisers for their views.

"Deciding whether an insured or a self-administered scheme is best depends a lot on contribution levels," commented Bob Rivera of Pensions Associates (PAL) of London. "We also look at the charges —an insured scheme requires few investment decisions, but are you paying over the odds for that?" For total contributions of £8,000 a year or more PAL would definitely recommend a self-administered scheme—even if the money were then invested in an insurance company's managed fund this would still be cheaper than going direct to the insurer.

Features

As far as investment advice is concerned PAL advise mainly on managed pension fund performance as they do not have their own in-house investment manager. PAL work closely with the client's accountants when it comes to making maximum use of the features such as loans and buying the company property as part of the pension fund's assets.

Contribution levels also play a part in the choice between insured and self-administered schemes, according to John McKirdy of Noble Lowndes of Croydon: "£5,000 is enough to support a self-administered scheme, although an insured scheme is more appropriate where a person does not want to have his whole pension tied to his own company." It could also depend on whether the director has an equity interest in the company. "It is easier to advise people to have a self-administered scheme, particularly where they are going to

Noble Lowndes works very much in liaison with the client's accountants for purposes of loans or buying the company premises, where a share valuation may be necessary. "You should always ensure that your pension adviser is working closely with your other professional advisers," added McKirdy.

Geoffrey Pointon of Pointon York, Leicester, shared the other brokers' views with regard to contribution sizes and which scheme was more fitting: "It is very difficult to argue for an insured scheme where contributions are high. As all costs are on a percentage basis, so large premiums mean large charges. However, for contributions of £500 to £5,000 there are convenient insured packages available." Geoffrey Pointon added that the self-administered scheme has one specific drawback in that loans cannot be taken by scheme members. With an insured scheme personal loans were available to individual members from the insurance company.

Liaison

One of the main reasons for recommending a self-administered scheme is where the executive or director has a "connected investment deal" which they want to make such as a sale and leaseback of property. "These are not as possible with an insured scheme and tend not to work as smoothly," added Geoffrey Pointon. Pointon York have their own in-house investment advisers and cover a wide range of diversified investments. They work very much in liaison with the client's accountants in setting up and running the scheme.

The choice of insured or self-administered scheme depends very much on the client's preferences, according to Paul Rylatt at Towry Law, Windsor. "We work on either a commission or fee basis and therefore have no axe to grind. We point out the benefits and disadvantages of both types of scheme" said Mr Rylatt. However, he felt that expenses could be high for a fully self-administered scheme unless the contributions are £20,000 or more.

In his experience he had found that people tend to underestimate the rising fees involved in a fully self-administered scheme. This could be a case for an insured scheme, although with an insured scheme the charges are expressed as a percentage of the contributions so the larger the contributions the larger the charge.

Towry Law work in liaison with the client's accountants mainly where auditing the company accounts is concerned. Although they do not offer specific investment advice about, for example, individual shares, Towry Law have regular meetings with their clients to ensure maximum use is made of all available investment oppor-

choice of executive pension schemes that the first essential for anyone contemplating an executive pension scheme, whether insured or self-administered, is to seek professional advice.

Ensure that any adviser contacted is a member of the Association of Pensioner Trustees (as are all the advisers mentioned above). They should be capable of acting as principals of the schemes and have the full complement of all professional services needed, either in-house or through subsidiary companies for the establishment and running of these schemes.

All these advisers will charge an initial fee which will vary but is currently about £2,500 plus an annual fee in the region of £500 per annum. Where an insured contract is involved the adviser will usually offset commissions received against these charges.

صكرا من الاصل

Complex problems for job-changers still to be solved

TRANSFERABILITY

ERIC SHORT

A MAJORITY of employees will not get anything approaching the maximum pension of two-thirds of final salary from a company pension scheme—for the simple reason that they will have changed jobs during their working life.

The company pension scheme is structured for the man or woman who stays with one employer most of the time because it bases pension on years of service. On average these days employees have four jobs during their working life.

The plight of the job changer is admirably summed up in Crown Life's latest advertisement for the Crown Bond. This shows a male voice choir — the Pension Fund Trustees Male Voice Choir — singing to the tune of "What shall we do with the drunken sailor":—

"What shall we do with the early leaver,
What shall we do with the early leaver,
What shall we do with the early leaver
—When he gets a new job?
Pat him on the back and freeze his pension,
Pat him on the back and freeze his pension,
Pat him on the back and freeze his pension
—Keep his contributions!

However, the purpose of this article is not to get involved in a lengthy discussion of the rights and wrongs of the treatment of the job changer but to set out the current position and how the employee can make the best use of his benefits.

The benefits payable to an employee who leaves the pension scheme before retirement are set out in the trust deed, as are all benefit entitlements. The trustees are bound by the trust deed. Many critics of the actions of trustees overlook this very important fact.

There are, however, two legislative requirements that impose a minimum benefit for early leavers. The first confers the right of an employee to a paid-up pension based on years of service to leaving and earnings at the time of leaving. There is no provision for revaluing this benefit and it is referred to as a frozen pension.

The second piece of legislation applies to contracted-out schemes and ensures that the leaver has at least his equivalent state earnings-related pension, known as the Guaranteed Minimum Pension (GMP). This is revalued each year in line with National Average Earnings.

Nowhere is there any legislative requirement for pension schemes to make a transfer payment in lieu of the frozen pension. Many pension schemes, however, do have in their rules provision to make a transfer payment in lieu of the preserved pension. It is in the size of the transfer payment that most problems arise.

The actuary to the outgoing scheme calculates the amount of transfer payment based on the ultimate preserved pension, which is not revalued for inflation. The actuary to the incoming scheme has to assess the worth of this lump sum in terms of a final salary pension and he will take inflation into account.

Thus it is quite common for an employee with 10 or more years' service with his old employer to find that his transfer payment gets him just one or two years' credit in his new pension scheme. Not surprisingly, this is causing considerable consternation among job changers and has caused some commentators to refer to it as a "pensions swindle."

The Occupational Pensions Board highlighted the current plight of the job changers in a report published in June 1981. This made some constructive proposals to alleviate the position, though much was left to the employer to implement. The Government accepted the report in principle but has done nothing to improve the lot of the job changer except to exhort and threaten employers to do something.

It is obvious that any change in the attitude of employers will be slow. Indeed many are claiming that it would be unproductive to make changes until the threatened Government action materialises. Any legislation would not be retrospective or even retroactive—i.e., it would only apply to years of service after the legislation came into effect.

The message for the present job changer is clear. He must make the best use of the existing benefits. So as a first step this means getting a transfer payment in lieu of the preserved pension and making the best use of it. This may cause a problem since the trustees may have discretion as to whether to make a payment at all.

Second, the employee must use the money to secure the best bargain on the market. Until recently he had no choice but to accept what the new scheme offered him. Now he can buy a pension from a life company in certain circumstances. Here some interesting new products have come on to the market in recent months.

In theory an employee could use the money to buy a Personal Pension Plan and this was the solution being mooted two years ago. There were some companies offering a pensions service to executives changing jobs which would negotiate individual pension arrangements on behalf of the employee and secure considerable improvements. The life company actuary apparently is much more optimistic in projecting into the future than the pension scheme actuary.

New ground

The snag with such a solution is that with a contracted-out arrangement the old pension scheme has to accept the revaluation responsibility for the GMP liability. Indeed badly drafted legislation in the Social Security Acts concerning GMPs has caused all manner of problems that are still being resolved.

But the old scheme wants to get rid of the GMP responsibility, that is one reason for making a transfer payment. Then in November 1981 London and Manchester Assurance broke new ground by launching its Transplan, wich offers a vehicle for investing the transfer payment, with the life company taking on the GMP responsibility.

Transplan operates on the deposit administration system, with the lump sum payment being accumulated at a guaranteed rate of interest plus a bonus rate. At retirement the cash accumulated is used to buy a pension and the usual commutation option applies.

Since then two other plans have appeared on the market, the Transfer Plan from National Employers Life Group and the Crown Bond from Crown Life. The former offers a deposit administration scheme as well as a non-profit and a RPI-linked fund, but the Crown Bond offers investment in four linked funds and two deposit administration funds with full switching facilities.

But before prospective job changers start enquiries at the nearest branch of one of these life companies they must remember that they are powerless to act on their own. The Inland Revenue will not allow them to touch one penny of the transfer payment, all transactions have to be carried out by the trustees. They would invest the transfer payment into the life company scheme on behalf of the employee.

For most schemes the rules do not permit such payments, so the primary task is to change the rules. The life companies are all willing to advise and help trustees in changing the rules, though they may prefer their own pension consultant

Secondly, these companies have kept a rather low profile, not because the plans do not offer excellent value for money but because there have been legal problems.

Regulations are being before Parliament later month or early next month will resolve the position. Th a lot more will be heard of th schemes, with the effort conc trated on explaining to trust the advantages of these schem Other life companies co launch their versions.

To return to the rights wrongs of transferability. Th schemes make the best use transfer payments, but do solve the basic problem transfer values are too low in need of radical change. main problem still has to solved.

How employees can top up their benefits

ADDITIONAL VOLUNTARY CONTRIBUTIONS

BARRY RILEY

TO A large extent employees have to accept the benefits of their company's pension scheme in the form of a pre-determined package, either effectively laid down by the company or, at best, collectively agreed by the trade unions and the trustees.

In one respect, however, there is often the opportunity to add an individual touch to an employee's pension scheme benefits. This occurs when the scheme offers the facility for members to make so-called additional voluntary contributions, a cumbersome title normally abbreviated to AVCs.

It is more and more common for occupational pension schemes to offer this flexibility to members and an increasing number of insurance companies and building societies are tapping this significant new market by offering a specialised investment service.

Why can it be attractive to make extra contributions? As usual with personal investment questions, it largely boils down to tax planning. Generous tax reliefs are allowed by the Inland Revenue to individuals who enter into contractual pension arrangements. Because it is only very rarely that occupational schemes exploit this tax shelter to the full, AVCs can be a way of more nearly approaching an optimal position.

But there are drawbacks too. Extra commitments should not be entered into lightly, for only in cases of genuine hardship will the tax men permit the extra payments to be reduced or ended in less than five years. Erratic contributions might trigger back tax demands.

Moreover, this is very much a long-term method of saving. Once made to the trustees of the scheme the contributions remain locked up until retirement age. In general, therefore, AVCs are more suitable for older employees than for their younger colleagues who may need to mobilise their savings for house purchase or other commitments associated with growing families.

Attractions

Inland Revenue guidelines permit pension schemes to provide pensions of up to two-thirds of final salary; some of this can be converted into a lump sum of up to 1½ times final salary, payable tax-free.

Other allowable benefits include a widow's pension of up to two-thirds the maximum approvable personal pension and there are complex provisions for pension increases in course of payment.

Few schemes offer the maximum in all these respects even when the employee has completed his full 40 years as a member. Most employees will in fact have many fewer years than this to their credit at retirement age. So the most obvious attraction of AVCs is that they allow members effectively to buy themselves what amounts to extra years of service, for which there can be plenty of scope given that the Inland Revenue will permit a pension of two-thirds of final salary to be paid after only 10 years' continuous employment. But an employee's total annual pension contributions must not be more than 15 per cent of salary.

Exactly what use is made of the AVCs—whether they are converted into a higher pension, a lump sum or other benefits—is a decision that can be left until retirement age. During the years of employment the contributions build up as a separate capital fund.

The rate of return can be very high, allowing for tax relief not only on the contributions paid (at the employee's highest marginal rate) but also on the income rolled up within the fund.

Although an AVC scheme will be primarily attractive to older people, who are more likely to be paying tax at higher rates and may have a clearer idea of their prospects for the remainder of their careers, younger people should not ignore the possibilities, for this can be a very tax-efficient way of paying for additional life insurance cover.

It is permissible for pension schemes to offer a lump sum of up to four times salary as a death-in-service benefit, together with a widow's pension of four-ninths of salary. Not many schemes provide the maximum in both cases and when extra cover is provided through AVCs the tax relief is obtained at the employee's top marginal earned rate rather than at the 15 per cent rate available on premiums for independently purchased life cover.

Given all these tax advantages, it is not surprising that AVCs are a rapidly growing feature of the pensions scene and that trustees are under considerable pressure to offer this facility to scheme members.

It is possible for the trustees to collect the AVCs and mingle them with the normal funds of the scheme. But this can create considerable problems of administration and of allocation of investment returns. It could be awkward, for instance, if a scheme member were to retire in the middle of a stock market slump.

So in the interests of simplicity and fairness scheme trustees normally subcontract the investment of AVCs to insurance companies or building societies which offer a specialist service in this field. Such schemes are normally marketed through pension consultants.

The clear leader in the field is Equitable Life, which has reaped the benefit of a pioneering marketing campaign some five or six years ago. Annual premium income is around £15m and is continuing to grow fast.

"We're optimistic about installing new schemes and we're optimistic about greater take-up of existing schemes," says Mark Daniel, marketing supervisor at Equitable Life. There are numerous insurance company rivals, including names like London Life, Provident Mutual and Prudential, but they remain some way behind.

The building societies are newer in the field—the first was the Anglia in 1977—but they also report good progress. The leader, the Anglia, is collecting annual contributions of around £4m.

Comparison

Arthur Brown, assistant general manager of the Anglia, says the society has been doing particularly well with AVCs over the past 12 months. "There's no great marketing push," he says. "It seems to sell itself to a large extent."

Although the rate offered by the building societies has dropped sharply over the past year, they are generally still offering 12 per cent (or 12.36 per cent allowing for half-yearly compounding) which is probably higher than on any of their other products.

The rate in the future cannot be predicted, of course, but Mr Brown argues that "it's simplicity rather than anything else that we're selling."

The societies make this emphasis because the ri insurance companies typic offer products which burdened with the traditio mumbo jumbo of reversion and other bonuses. By invest in a range of capital mark including equities, bonds properties, the insurance co panies ought to be able achieve a better return in long run; but it is very hard the investor to keep track.

To add to their appeal so of the insurance companies o unit-linked AVC schemes, wh have the virtue of greater s plicity but also the drawb that investors are exposed stock market fluctuations — important point when this an inherently inflexible form investment, maturing at a fi point in time.

At any rate there is someth of a marketing battle going and according to a rec estimate by Pensions magaz the building societies have won a market share of arou 20 per cent, though the in ance companies will be hop that lower interest rates reduce the building societ appeal. Overall, AVCs pr ably total some £50m a yea figure which is growing fas

Whatever the partic investment medium chosen beauty of an AVC scheme that an employee willing contribute modest monthly su over the last 10 or 20 years his working life can build u handsome capital sum, a v able sweetener for his years retirement.

PROPERTY

Do you want to live in a loft?

BY JUNE FIELD

I HAD TO put on a hard hat and heavy boots to view New Concordia Wharf, a few hundred yards from Tower Bridge on the south bank of the Thames, at the entrance to St Saviours Dock, opposite St Katharine's Dock.

It is obligatory gear for going through mud and debris to reach high narrow planked boardwalks, currently the only means of access to one of Dockland's most challenging residential conversions. A challenge, because the units are only being finished to bare shell stage. Buyers are responsible for fitting them out to make them habitable.

The group of late Victorian warehouses, mill and water tower, were named by wealthy grain merchant Seth Taylor after Concordia, U.S., from where much of the grain was imported. In 1934 the buildings were sold to the Butlers Wharf Company, who undertook not to use them for flour or milling, so long as this did not restrict "chipping oats and barley, screening barley for malting, or polishing beans, peas or seeds!" Three years later large cranes were added to the Dockside, and the buildings used for storing tea.

Still in use for mixed storage up to 1980, and a background for films such as *The French Lieutenant's Woman*, the complex was bought by 25-year-old riverside enthusiast Andrew Wadsworth. To develop it he set up Jacobs Island Company. Charles Dickens described the original island, which includes the site on which the wharf now stands, in *Oliver Twist*, observing in uncomplimentary fashion that those who wanted to live there "must have [illegible] motives for a secret residence . . ."

The development is mainly financed by Lloyds Bank, Manchester, plus a substantial grant from the Historic Buildings Council; the buildings are in a conservation area and listed as of historic importance, and the grant is for the authentic repair and reproduction of special features such as the window rosettes, chimney, cranes and cast-iron.

Andrew Wadsworth is going to live in the tower section, and has been inviting like-minded "loft" enthusiasts to buy the other 57 units and 14 studio workshops. The term loft, is often used in New York, where a few years back I met some artists, architects, interior decorators and crafts workers and other adventurous spirits, who had taken on whole top floors of abandoned warehouses in SoHo (short for South Houston), southern limit of Greenwich Village. They had adapted the lofty accommodation into acceptable (and now highly desirable) bases in which to live and work.

A 125-year lease of 650 sq ft at New Concordia which would make a studio or one-bedroom unit now costs from £32,500 (a few early birds bought off plan from £24,000), to around £135,000 upwards for a sixth-floor 1,885 sq ft penthouse which would provide three bedrooms and two bathrooms.

For this you get four walls, a floor and a ceiling, with in most cases, a balcony over the water, plus soil and drainage pipes and ventilation openings for central heating. Water, gas and electricity are capped off outside the front door. Floors have a new re-inforced concrete screed, while original timber beams, joists and cast-iron columns are being sand-blasted and left exposed.

Already, with little promotion some 18 purchasers of varying occupations, from a plumber to a stock-broker, are taking the opportunity to do their own thing with arrangement (it can be open-plan, split-level or separate rooms), and decor. "It is a marvellous chance to have a place alongside the peace of the river less than a mile from the City of London," confided one young professional couple.

Four different lay-outs of each interior have been designed by the architects Pollard Thomas Edwards and Associates, to give an idea of what can be done; and main contractors John Laing will carry out the building work. Costs, very roughly could be about £5 a square foot for a simple basic conversion, £10 for a medium finish, £15 for a luxury, gold-tap job. The Abbey National and Halifax have undertaken to provide £2¼m in mortgage funds for suitable buyers.

Other attractions are that you will be able to moor or store a small boat, dinghy or canoe off the dockside jetty, and park your car in the basement. There will be snooker and table tennis in the games room, and biggest bonus of all, a heated swimming pool in the old boiler room in the mill.

"Nothing will be wasted," insists Mr Wadsworth, pointing out that the flat-roofed building fronting onto Mill Street will be re-decked with asphalt, foam insulation and paving to provide a communal roof-garden terrace. While waiting for his apartment to be finished (it will be one of the last, around September), he lives on the "Harpy," former H. M. Custom and Excise pontoon vessel which used to be moored opposite HMS Belfast. Now owned by the company, it has a new fixed mooring position 100 feet out in the river in front of New Concordia.

For a brochure and an escorted tour around the development and others in the area, contact Martin Carleton Smith, who with Sarah Shelley (both ex-John Ralph Pay), are just opening up on their own as Carleton Smith and Co., London Dock House, 1 Thomas More Street, London, E1 (01-488 9017).

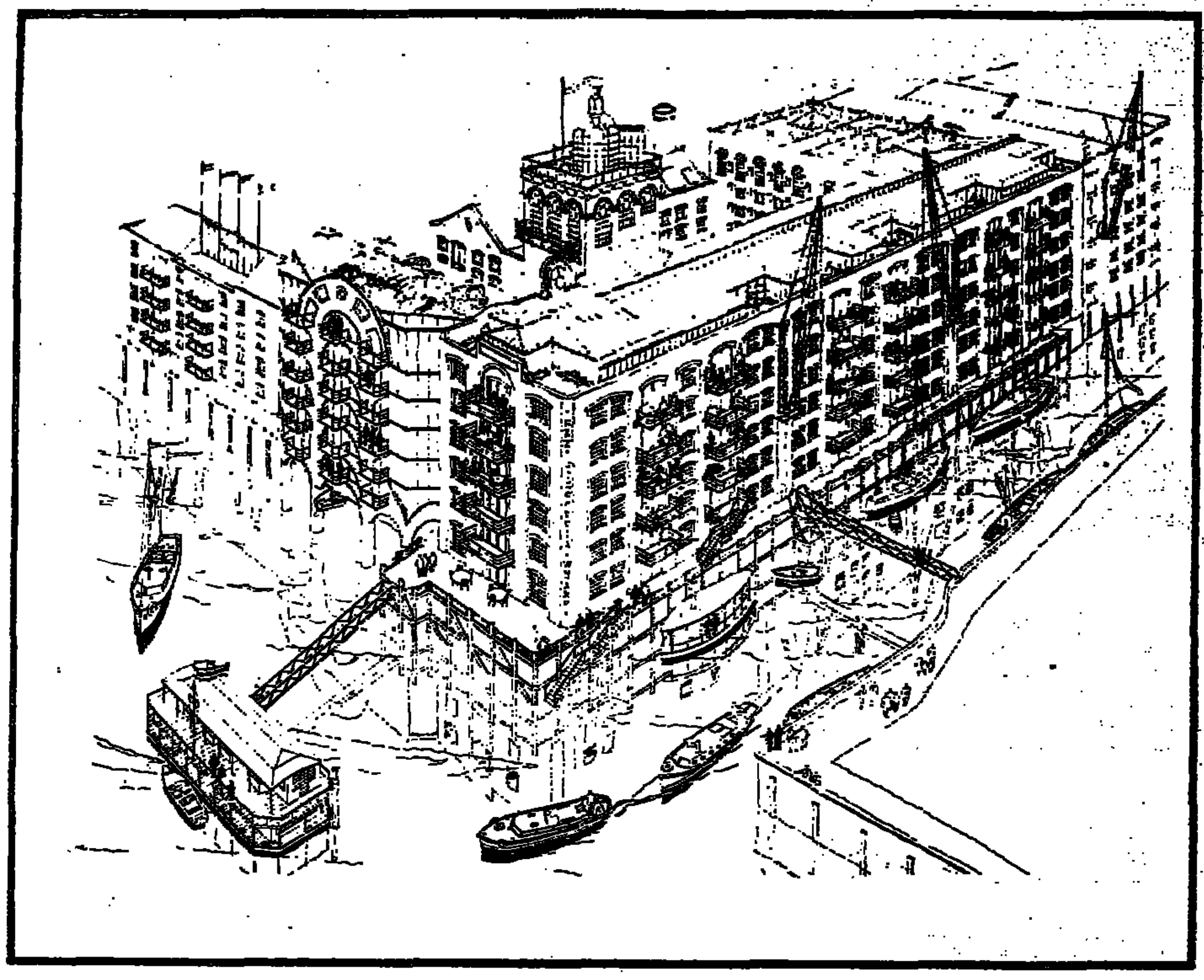
Martin Carleton Smith is the pioneer estate agent of Dockland, specialising in the area over the past 10 years, retaining his enthusiasm even though progress, like the Thames, rolls on slowly.

"We feel that it is now necessary to be on the spot to deal with the numerous developments and re-sales taking place. Over the past eight months we have received over 1,500 inquiries for property in what we consider to be a unique area."

The pair were responsible for selling much of St John's Wharf, Wapping High Street, converted warehouse apartments to City-based companies who want accommodation for client functions. "Talking to various firms revealed that £50,000 to £100,000 a year is quite normal expenditure for putting up guests and directors overnight in hotels. Riverside apartments so close to the City, with vast living-rooms, are ideal for entertaining and conferences."

With Chestertons they are also handling Ratcliffe Wharf in Narrow Street, an imaginative conversion by that devotee of dockland living, Rae Hoffenberg. The new phase has two bedroom apartments from £120,000 and two spectacular penthouses with magnificent roof terraces with views of the river, at £250,000 and £285,000 respectively. Mr and Mrs Hoffenberg's own four bedroom, two bathroom apartment in the warehouse next door, which is also for sale, should be seen if only to show what a splendid environment can be created in a one-time industrial building. Brochure from Lindsay Blaaberg, Chestertons, 116 Kensington High Street, London, W8, or Kevin Ryan at their Mayfair office.

For those who prefer more traditionally styled rooms, yet still want views of the river, Downshire Properties of Hampstead have converted the old Blackwall Police Station, a Grade II listed building at Coldharbour, E.14, into five spacious units. Prices, which have just been reduced, are from £59,500 to £115,000 for two and three bedroom, two bathroom fitted out apartments which have a shared use of the internal dock. Two new houses are also being built in the original exercise yard; in the £150,000 bracket, their internal arrangement can be altered to suit personal requirements. Brochure: John England and Partners, 8 Village Mount, Perrins Court, NW3.



New Concordia Wharf, St Saviours Dock, Mill Street, London, SE1, conserved Victorian warehouses being converted to residential units which are being finished to "bare shell stage" for fitting out by individual purchasers. Prices are from £32,500 to £120,000-plus for penthouse units. Brochure: Martin Carleton Smith, Carleton Smith and Company, London Dock House, 1 Thomas More Street, London, E1. (01-488 9017).

A buyer's market for used boats

BOATING

ROY HODSON

THE TROUBLE with plastic boats is that they don't seem to wear out. After more than two decades of glass fibre production there are plenty of perfectly sound hulls in use that were built when the material was first coming into fashion.

That factor is provoking radical changes in the pleasure boat-building industries of Europe and America.

Several of the bigger firms which grew by mass-producing standard designs of sailing yachts and power boats on a production-line basis have had to face the fact that the sort of demand they expanded to cater for is no longer there.

At the other end of the yachting spectrum builders of expensive "gentlemen's yachts" (starting at, say, £100,000) are increasingly having to be willing to carry out bespoke tailoring contracts for individual clients in order to win orders.

The cost of new boats continues to rise with inflation (building boats is a labour-intensive business however well-managed the company might be). Meanwhile the stock of second-hand boats that refuse to wear out is growing remorselessly and is creating an unstable market. Why should a buyer pay £50,000 for a new 36-foot cruising yacht when a similar vessel only two years old and equipped with many "extras" can be bought from any number of eager sellers for about £30,000?

In the old days—by which I mean about 10 years ago—the proud owner of a new yacht could reckon with safety that he had made a sound investment that would rise in value and would at least keep pace with inflation. Often he was fortunate enough to sell at a real profit after a few years.

Nowadays the price of second-hand yachts has become a far more problematical affair. The best rough and ready yardstick that I have been able to [illegible] brokers is that a well-built, well-maintained, yacht up to about five years old is likely to fetch the price she cost when new if offered in the used-boat market. A £20,000 yacht bought new in 1979 might be expected to fetch the same price today. In short, the rate of depreciation is more or less matching the rate of inflation.

I see no prospect of the prices of new boats levelling out or falling. They are geared to the hard realities of labour and materials costs.

There is a degree of fantasy about current boat prices. It is in the notional values of all those excellent but ageing glass reinforced plastics yachts in the creeks and harbours of Britain, the Continent and America. Because sailors love their yachts, even when trying to sell them, they tend to value them too highly.

But economics are working against sentiment at the present time. The very size of the fleet of yachts available for sale suggests that second-hand prices must fall to levels which will attract more aspiring owners to buy and thus mop up the surplus.

Which takes us to the next question. Who are the boat-owners of today? A lot of people in the industry and advertising would like more information on that point.

Studies of the visitors who pass through the turnstyles at the Earls Court Boat Show each January seem to indicate that your average boat-owner ranges from an unmarried mother racing dinghies to an "extended family" — whatever that [illegible] into an overloaded cabin cruiser to potter up the canals. But at least 250,000 people want to see the boats at each show—and at times of national prosperity the numbers have risen to well over 300,000. There is no sign, even in these days of recession, of the level of interest in boats and boating falling away in any dramatic fashion.

I like the style of the American magazine Yachting which has no doubts about the excellent calibre of its readership. They are experienced, it says "average 24 years on the water." They are boat-owners (well, 83.3 per cent of them are). They have an average household income of—wait for it—£57,996.

As to their sailing habits Yachting says 69 per cent of them cruise at weekends, 42 per cent of them enjoy longer cruises. Only 29 per cent of them race.

It is logical to think that people use their boats in a similar way in Britain and Europe — some two-thirds of voyages being for family cruising rather than racing.

That being the case I applaud the foresight of the British local authorities who are now taking a serious look at the £300m-a-year British boating industry as a new source of revenue. Swansea and Hull are both opening up their old docks as well-contrived marinas to encourage local yachting as a leisure activity. A new study of the Welsh coast suggests a number of other suitable marina sites to be developed. Yachting is returning to the tidal Thames with new marinas and moorings. Jersey, Guernsey, and Alderney, are all delighted at the extra income their recent investments in yachting facilities are generating.

Clearly money is sloshing about the boating business. The boat-builders would wish that more of it found its way into [illegible]

CHESS

LEONARD BARDEN

FIDE's latest world ranking list, issued a few days ago, confirms 19-year-old Gary Kasparov as a dangerous contender for the championship title which Anatoly Karpov won in 1975. Karpov has advanced his rating total 10 points, to 2710; but Kasparov has gained 15 points over the previous list of July 1982, to 2690. It was noticeable in Karpov's most recent super-tournament at Tilburg that he continued to press for extra points even when sure of first prize; and it could be that the persistent threat from his younger rival may force Karpov to revise and sharpen his whole playing style.

While Kasparov has again enhanced his status, Viktor Korchnoi has fallen further back. Korchnoi's various reverses in the second half of the year, not least his defeats at Lloyds Bank, made it very unlikely that he could hold his position as world number three. But the new list has Korchnoi right down to joint twelfth place, only just keeping his status as a 2600-rated "super-grandmaster." Korchnoi's decline continued this week at Wijk aan Zee in Holland where he lost four games in the first eight rounds.

Consistency has made Ulf Andersson of Sweden the leading GM from a Western nation, in fourth place overall with 2635 points. Andersson, small, pleasantly good-humoured, and deceptively quiet in style, has exceptional skills in making something out of nothing, in defence in depth, and in the endgame. A few years ago he so underestimated his own potential that he failed to enter the official world title series, preferring to act as trainer to his friend Timman. But his 1982 results, which include shared first prize with Karpov at London's Phillips and Drew Kings, have made him a match for any bar the very top Russians.

FIDE's select 2600-plus super-GM group now consists of Karpov 2710, Kasparov 2690, Ljubojevic 2645, Andersson 2635, Polugaevsky and Hubner 2625, Tal and Portisch 2620, Timman, Petrosian and Spassky 2605, Seirawan and Korchnoi 2600. Tony Miles, the British champion, is joint sixteenth on 2585 points; while both Nunn and Speelman, with 2570, are in the top 30. Pia Cramling, the young Swedish girl who drew with Korchnoi at Lloyds Bank 1982 is equal first in the women's world rankings along with three Russians.

In general, the Soviet men have gained ground at the expense of their Western rivals, and their strong position is accentuated by the clear hegemony of Karpov and Kasparov at the top. At Malmo early this month the new "Western leader" Andersson met Tal in a match to help settle the 1983 candidates reserve. The score was 3-3 but Tal was declared winner on tie-break, with this week's game the virtual decider.

White: M. Tal (USSR).
Black: U. Andersson (Sweden).
Nimzo-Indian (1st match game 1983).

1 P-Q4, N-KB3; 2 P-QB4, P-K3; 3 N-QB3, B-N5; 4 Q-B2, P-B4; 5 PxP, 0-0; 6 B-B4, N-R3; 7 B-Q6, R-K1; 8 P-QR3, Q-R4; 9 R-B1, BxN ch; 10 QxB, QxQ ch; 11 RxQ, N-K5; 12 R-B1, N(R3)xP; 13 BxN, NxB; 14 P-QN4, N-K5.

The forcing play up to here is all book, which continues 15 P-B3, N-B3; 16 P-K4, P-Q4 and Black frees his game. Tal shows that White in fact has a small but definite advantage, based on his Q-side space control and the absence of scope for Black's bishop.

15 P-K3, P-QN3; 16 B-Q3, N-B3; 17 N-K2, B-R3; 18 N-Q4, QR-B1; 19 0-0, R-B2; 20 R-B2, K-B1; 21 KR-B1, K-K2; 22 P-K4!

This advance, premature in the previous note, now further cramps Black. Its tactical point is that 22...P-Q4 fails to 23 BPxP, RxR; 24 BxR winning a pawn.

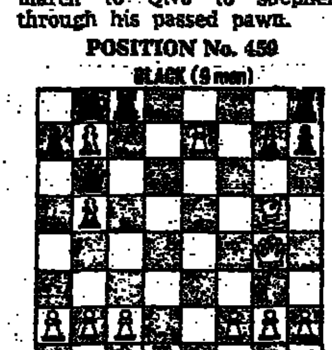
22...KR-QB1; 23 P-K5, N-K1; 24 P-B4, R-Q1 (and here P-Q3 loses to 25 P-QB5!); 25 B-K4, R(1)-QB1; 26 P-QB5, PxP; 27 PxP, P-B4; 28 B-B3, P-N3; 29 K-B2, R-N1; 30 P-B6, P-Q3; 31 PxP ch, NxP; 32 R-K1.

Decisive; Black is tied down by the passed QBP so cannot prevent material loss.

32...B-B1; 33 B-Q5, N-K5 ch; 34 BxN, PxB; 35 RxP, K-B3; 36 R-K5, P-QR3; 37 R(5)-QB5, R-N3; 38 N-B3, R-N6; 39 R(5)-B3, RxR; 40 RxR, R-K2; 41 N-K5, Resigns. White's king will march to QN6 to shepherd through his passed pawn.

POSITION No. 459

BLACK (9 men)

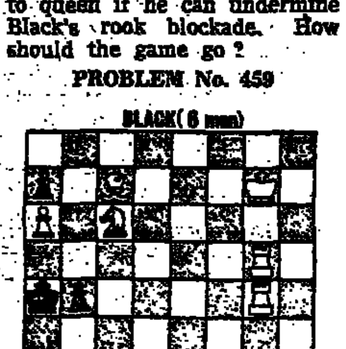


WHITE (11 men)

Pisa v. Graf, Lugano 1981. Bishop and two pawns are nominally equal to a rook, but here White (to move) is poised to queen if he can undermine Black's rook blockade. How should the game go?

PROBLEM No. 459

BLACK (6 men)



WHITE (9 men)

White mates in two moves, against any defence (by B. J. de C. Andrade).

Solutions Page 20

BRIDGE

E. P. C. COTTER

HANDS illustrating brilliant declarer play and defence, drawn from every quarter of the globe, are to be found in the Bulletins of the International Bridge Press Association. In *Bridge à la Carte* (Pelham Books £8.95) Victor Mollo has collected in one book many of these hands, which you will find exciting and instructive.

We look first at a hand from the World Championship, in which the Italians were playing against the Americans:

N
♠ A
♡ Q J 7 5
◇ 6 5
♣ A K Q 9 8 4

W
♠ 10 9 5 3
♡ 9 4 2
◇ K 8 7
♣ 7 6 5

E
♠ 8 4
♡ A 10 3
◇ Q J 10 4 3 2
♣ J 10

S
♠ K Q J 7 6 2
♡ K 8 6
◇ A 9
♣ 3 2

East dealt and passed, the American South bid one spade, North replied with two clubs, and raised the opener's rebid of three spades to four spades, which became the final contract. West found a diamond lead, and the declarer made 11 tricks.

In the other room, with the Italians sitting North-South, East opened the bidding with a weak two diamonds, and after a bidding sequence which I will not discuss, South found himself in a contract of six hearts. A diamond lead removed South's quick entry, and the slam seemed unmakeable. But Giorgio Belladonna made his contract in a way which compels our admiration.

At the second trick he crossed to the Ace of spades and cashed the Ace and King of clubs, to which East followed with the Knave and 10. When declarer continued with the Queen, East was trapped. If he discarded, South would throw his losing diamond; if he ruffed with his Ace that would have the same [illegible] the 10, South overruffed with his King, discarded dummy's losing diamond on the King of spades, switched to the eight of hearts, and ran it. Brilliant, and simple. But, of course, if you find yourself in a small slam on a 4-3 trump fit without the Ace, you have got to be brilliant.

I have before described the *Ruffing Squeeze* as a blood relation of the *Crisscross*. In the hand below, reported in *Le Bridgeur*, and played by the French international Christian Mari, we observe a curious mixture of both these squeezes:

N
♠ Q 10 9 3 2
♡ K 8
◇ A 5 4
♣ Q 10 2

W
♠ A K 8 7 4
♡ Q 6 2
◇ 8 3
♣ J 7 6

E
♠ J 6 5
♡ 7
◇ Q J 7 6
♣ K 9 8 4 3

S
♠ —
♡ A J 10 9 5 4 3
◇ K 10 9 2
♣ A 5

The bidding is not given, but South played in six hearts, against which West led the King of spades. Ruffing in hand, the declarer finessed the eight of hearts — he needed an extra entry to the table — and returned the ten of spades. This was covered by East's Knave, and ruffed in hand. Crossing to the trump King, South led dummy's nine of spades, throwing a diamond, and the Ace won. He now had eleven tricks. A diamond was returned to the Knave and King, and the declarer played off all his trumps, to leave a four-card position in which dummy had Queen, three of spades, diamond Ace, and club Queen, and declarer had ten, nine of diamonds, and Ace, five of clubs. At this point West held eight, seven of spades and Knave, seven of clubs, while East held Queen, seven of diamonds and King, nine of clubs. On a diamond to dummy's Ace West was forced to throw a club, and now the Queen of spades was returned which exerted pressure on East who had to choose between throwing the diamond Queen to set up declarer's ten, or the club nine to concede two tricks in the [illegible]

LEISURE

Retreat to the country

TRAVEL

ARTHUR SANDLES

HERRIOT COUNTRY is a very long way from the rat race. The clouds meander over the green hills of North Yorkshire, becks bubble energetically from the rock ground and the roads, which wander the valleys with an apparent illogical connection with the reality of actually going anywhere, have a narrow antiquity which makes one expect the vet's little old Morris to come puffing round the next bend.

It was to this apparently idyllic terrain that the Baynes retreated a couple of years ago. They were escapees from the rough and tumble of London.

They are glad they did it, but life has been as much about troublesome chimneys, bitingly cold mornings, soggy walks and declining bank balances as about dewy morns and balmy days.

The Baynes, Charles and Lynda, have gone into the self-catering cottage rental business, starting by the conversion of a barn adjoining the large old farmhouse they bought. Visitors to the little Bayne cottage walk the hills, while away the summer evenings at the local pub or around the cottage's own open fire (subject to a third builder's attempt to adapt the flue in such a way that the smoke goes out into the night rather than down into the room), and contemplate the prospect of following their hosts into the world of bucolic contentment.

To a very large extent the Baynes illustrate the story of today's country folk, and the reason why there is such a wealth of choice for cottage rental in Britain today.

Even the most abandoned of drop-outs from the hurly burly of city life needs some sort of interest and income, and thousands of farmers, second home owners and small business entrepreneurs are finding that there is a considerable demand from those of us who do not choose, or cannot afford, to have a permanent foot in the country soil but want an occasional rural excursion.

Only a few years ago anyone hunting for a British cottage to rent for a week or so would have been driven to the small advertisements and the use of a large pin. The fortunate had friends who knew someone.

Today the business of cottage rental is rather more organised and considerably less haphazard. Tourist boards keep lists of approved properties and several organisations have grown up proferring the same sort of glossy brochures that tempt others to the Algarve and Majorca.

Some of the organisations involved are now quite large. English Country Cottages, for example, has been operating for 16 years and now has some 972 properties on its books in 43 counties. Most organisations, however, remain regionally based. East Anglia and the inland West Country are particularly thickly dotted with rentable cottages.

The most common type of cottage available, and perhaps the most reliable, is where a collection of properties around "the big house" have been converted for holiday rental. In these cases management tends to be professional and help is on hand should the plumbing malfunction or the roof spring a leak.

Having a potentially hovering owner, and the company of other tenants, no matter how thick the walls or large the gardens that separate you from the other residents, is not everyone's cup of tea, and there is an ample supply of more individual, and often more expensive, properties around.

Prices are extraordinarily difficult to quote. Not only do they vary considerably from area to area and season to season, but also cottage rental is a potential minefield of extras. Particularly beware of off-season deals which look amazing but in fact do not include heating. With an electricity meter that swallows 50p pieces like a gin addict at the office party, or a wonderful open fire that displays an insatiable demand for logs that the owner charges heavily for, you can end up spending more in April or November than in July.

A simple place, usually a terraced cottage or apartment in a big house, sleeping two to four people would probably cost at least £75 a week off season to £125 in high summer. A nice isolated, detached Lake District house could cost between £250 and £650.

In these tiresomely harsh days it should be said once again that cottage rental is very much an area of "let the buyer beware." There is no official bonding system for rental agencies and if your rental company goes bust you could well find yourself having no holiday and having lost your money.

Some companies are aware of this problem and offer comfort to people making reservations. One of the oldest established, Taylings, gives the address of its bankers and invites customers to take out bankers references via their own bank managers.

Another company, Character Cottages, offers insurance via the Norwich Union which cover the client in the event of the company, or a cottage owner, failing to provide the goods.

Recognition that no one takes anyone else's credit rating at face value these days must surely be simply facing the facts. Do not be afraid of asking questions. If the company shows signs of irritation at such questioning, go elsewhere, there are plenty of other offers on the market.

All that may, of course, be over-stating the potential problems. The fact remains that the British countryside is unbeatable and the pleasure of being able to take your own car, without baggage problems, to a nice country retreat is one that more and more Britons, and foreign visitors are discovering.

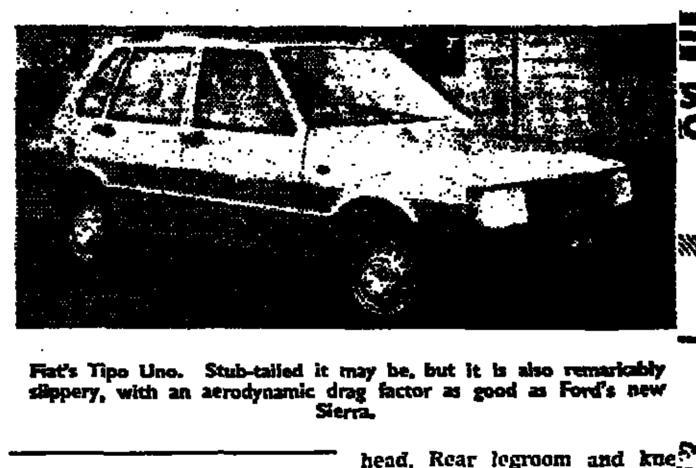
Further information: English Tourist Board, 4, Grosvenor Gardens, London SW 1W ODU (a booklet, Self Catering Accommodation in England, can be bought from the ETB via Admail, 14, London SW1 0YE for £2.65p plus 75p postage). Wales Tourist Board, Brunel House, 2, Fitzalan Road, Cardiff CF 2 1UY. Scottish Tourist Board, P.O. Box 15, Edinburgh EH1 1UY (Self Catering Accommodation in Scotland, £1.40). Taylings Holidays, 14, High Street, Godalming, Surrey GU7 1ED. Character Cottages, 34, Fore Street, Sidmouth, Devon EX10 8AQ. Freedom of Ryedale, 23a, Market Place, Helmsley, York YO6 5BJ. English Country Cottages, Claypit Lane, Fakenham, Norfolk NR21 8AS. Blakes, Wroxham, Norwich, NR12 8DH. Mr and Mrs C. Bayne, Mill Scar, Newbeggin-in-Bishopsdale, nr Aysgarth, N. Yorkshire.

One of the Baynes' cottages

Nippy and cheap

MOTORING

STUART MARSHALL



Fiat's Tipo Uno. Stub-tailed it may be, but it is also remarkably slippery, with an aerodynamic drag factor as good as Ford's new Sierra.

THE SINGLE WIPER lashed to and fro, clearing the downpour enough to let me see the half-flooded road ahead. A hoarding hove in sight. "Welcome," it said, "to America's vacationland. Have a nice day."

I was in Florida and the car I was driving was Fiat's new supermini, the Tipo Uno. Why Florida? And, specifically, why Orlando, to which I had flown earlier in the week? Because Orlando is the nearest town to Cape Canaveral, the highest expression of technology in space research as Tipo Uno is of automotive design and production. They are Fiat's words, not mine, but I happily concede that Tipo Uno is an excellent small-outside, big inside hatchback.

The plan had been to base the new car's launch in Orlando because the hot sunshine and clear atmosphere would provide opportunities to drive and photograph it that Europe's winter weather would deny. And the climax was to have been the launch of the Space Shuttle, as a reminder of Fiat's substantial involvement in satellites and suchlike. It was a great idea but first the shuttle's launch was postponed and then the worst weather of the entire winter swept east across the U.S.

For the first two days it was cool and brilliantly clear. Tipo Uno ran nicely on the smooth dual carriageway interstate roads at a sedate 55 mph, passed only by enormous lorries, CB radio equipped and well aware where the highway patrol was lurking. It ran well, too, on rural byways, riding buoyantly over bumps and dirt surfaces. But for performance testing, the famous Daytona Speedway was available. I tried three Tipo Unos around its banking and sinuous back stretches. They felt astonishingly stable and sure-footed at speeds no-one in his right mind would attempt on public roads, cornering without excessive roll despite the comfortable suspension.

They were the Uno 45, with a 903 cc, 45 horsepower engine; Uno ES, with a higher compression 903 cc unit and five-speed gearbox; and Uno 55, powered by a 1,116 cc, 55 horsepower engine. The 55 was, of course, fastest and it cornered best on its 70 series tyres. But the others hung on beautifully, too. The ES has skinny Michelin MX tyres (they will soon replace the XZX, Europe's best-selling radial) and higher gearing than the normal 45. I didn't get it into fifth at all at Daytona. But two days later, whe the rains swept across Florida, the ES proved an admirable urban runabout as well as a quiet, relaxed car on the highway. At the 55 mph U.S. limit, Fiat says it is returning an incredible 65.7 miles per gallon.

There is a more powerful Uno: the 1.3 litre, 70 horsepower model 70. I did not get to drive it. Some Continental journalists hi-jacked all the 70s two hours before the start of the testing—but then, they don't believe in queuing at an airline check-in, so I suppose one should not be surprised. Driving a Uno 70 is a pleasure in store.

The Uno is not just a new model. It is a forerunner of a new class of cars and a product I would guess is as critical for Fiat as the Maestro will be for BL's Austin Rover Group. Eventually, though not immediately, it will replace the 127, Europe's first supermini and the car that inspired Ford's Fiesta, to name but one rival. In size, it is almost the same as the 12 ft 2 in long 127. The Uno is nearly 6 in longer in the wheelbase, which helps account for its excellent ride, and more than two inches higher, which gives the front seat occupants exceptional headroom. In the rear, headroom is less impressive but only because the backrest makes one sit upright. I am over 6 ft tall and could just touch the roof with my head. Rear legroom and knee room is generous and the rid[e] is as good as it is up front.

The three-door Uno is un[usually] easy to get in and o[ut] of because the front sea[ts] swing forward as the backrest fold. The seats are softly com[fortable], though adequatel[y] supportive. Even the basic 4[5] has reclining front seats. Th[e] tailgate gives on to a goo[d] luggage space, extendable b[y] folding the back seat (in tw[o] sections in the posher models).

From the front, it looks muc[h] the same as half a dozen othe[r] supermini-sized hatchbacks bu[t] from the side, Uno is singula[r]: droop-snooted like a Metro b[ut] with two or four passenge[r] doors and a more nearly vert[i]cal back window. It gives [a] fine rear view and makes f[or] easy parking. Remarkably, [it] doesn't prevent Uno having [an] aerodynamic drag rating ident[i]cal with the Ford Sierra's.

In size and amenities Uno fi[ts] in between the Fiat Panda an[d] Ritmo—the one we call Strad[a] in Britain. It is on sale i[n] Italy now at prices ranging fro[m] £3,353 for the three-door 45 t[o] £4,068 for the five-door 55 o[r] three-door 70. UK prices an[d] availability won't be known f[or] some weeks. Barring Budg[et] surprises, I guess they will b[e] between £3,400 and £4,400.

Fiat say they have designe[d] out of the Uno most of th[e] nooks and crannies that mak[e] cars corrode. They have the[y] done things like using zin[c] coated steel for vulnerable bod[y] areas as well as pre-treating an[d] painting the car in a brand-ne[w] £30m plant. Uno is said t[o] have an exceptional resistanc[e] to attack by the dreaded ti[n] worm.

Future developments of Un[o] include a diesel, which is com[ing] quite soon, followed by [a] sporty turbo version. An aut[o]matic—probably with a com[p]letely new type of transmi[s]sion—will come later. But righ[t] now, the Uno can look the com[p]etition straight in the eye. It['s] an attractive, comfortable, nipp[y] and economical package th[at] should do a lot to enhance Fiat['s] reputation, not least in Britain.

Prune before the sap starts rising

GARDENING

ARTHUR HELLYER

THE BEST time to prune a plant is when it is least likely to do it any harm. Hardy deciduous trees are commonly pruned after the leaves have fallen and before sap starts to rise strongly again in the spring, unless there is some overriding reason against this as there may well be with plums and cherries which are particularly susceptible to bacterial infections through wounds in autumn and winter. So a compromise is made for these and the work is done either as soon as the crop has been gathered or little by little as light pruning during the summer.

With some plants there is another objection to autumn or mid-winter pruning. Their mature wood may be prefectly hardy yet their young growth can be decidely tender. This is true of many roses, especially the highly bred, long flowering kinds that have a considerable dash of tea or noisette rose in their ancestry. This would not matter so much if our winters were uniformly cold, with a clean-cut change to spring when that arrives for then the plants would remain dormant until it was safe for them to grow. In fact the opposite is true: cold weather alternates with mild weather and this year a great many plants are growing well ahead of their normal time.

If roses of this semi-tender kind are pruned too early most of the remaining growth buds may start to grow prematurely and be killed by later frost. If the pruning has been hard, as it should be for many of the larger flowered kinds, there may be no buds left to make good the loss. So many gardeners defer all pruning of bedding roses until March. If there has been premature growth before this it will be mainly from the upper parts of the stems which will be removed when pruning and the growth buds lower down are still likely to be dormant and safe.

March pruning is by no means so advisable with shrub and wild roses which are not so dependent on strong new growth to maintain their vigour and so do not require anything like such hard pruning. Thinning out of the oldest growth, which is often all that is really necessary, can be done at any time from the completion of flowering (or the falling of heps if they are grown for these) until early spring. If some of the upper buds are tempted into premature growth which is later destroyed there are sure to be plenty more dormant growth buds lower down to which a second pruning can be made.

The same principle applies to some other shrubs that are a little suspect in hardiness. The purple buddleia produces its finest flowers when it is pruned back fairly severely every year but if the work is done in winter precocious young shoots may be killed by frost. Leave the pruning until the end of March and the effect on flower size will be equally good but the new growth will appear too late to be at any serious risk. Exactly how hard pruning should be will depend on how big a plant is required. If it must be considerably restricted last year's stems can be shortened to about six inches but if a rather larger bush is preferred they may be left three or four times as long.

The same methods are applied to the pruning of caryopteris, Hyrangea paniculata and H. arborescens grandiflora all of which flower on the new growth. Hard pruning of last year's stems to a few inches each will result in smaller bushes with larger flower heads but it is unwise to prune until March as the young shoots are much more tender than the old stems. This method of pruning cannot be applied successfully to the many varieties of Hydrangea macrophylla, either the Hortensias with their ball-shaped flower clusters or the lace-caps with their flat clusters of flowers, because these bloom most reliably from terminal, or near terminal buds. Cut these off now and there will be a lot of new growth but few, if any, flowers next summer. The same applies to many of the species, including H. aspera (more familiar to many gardeners as H. villosa), H. sargentiana and H. quercifolia a handsome but little known kind with big, deeply indented leaves which turn dusky crimson in the autumn.

A similar distinction between varieties must be made with clematis. Those that flower from July onwards do so on strong young growths and it is possible to prune them hard each February or March. This will keep plants tidy, prevent the accumulation of a tangle of brown, leafless stems on the lower parts of the plant, and improve the quality of the flowers. Clematis jackmanii and all the varieties associated with it respond notably well to such treatment. Already the buds are beginning to swell and grow and it is easy to find good buds or shoots low down, say 12 to 18 ins above soil level, to which cuts can be made. But early flowering species, such as C. montana, C. macropetala and C. alpina, as well as May-June flowering hybrids, such as Nelly Moser, Beauty of Worcester, Bee's Jubilee, Henryi, Danielle Deronda, Duchesse of Edinburgh, Ernest Markham, Walter Pennell and William Kennet, flower from last year's growth and will be deprived of their early flowers if pruned hard now. So pruning is best done immediately after flowering and even then care should be taken not to cut out strong young growths that have not yet flowered since they may well do so later in the year.

SKIING

ARTHUR SANDLES

THE PURSUIT of ski perfection takes us this week to the sensitive question of the pelvic thrust and the British bottom.

Before those of a sensitive nature rush to the conclusion that this is a subject not directly related to ski technique I should remind them that the British bottom is a feature of considerable alpine amusement. The UK ski beginner is traditionally portrayed as skiing in what the polite might call a crouch.

The cause of the British bottom is not difficult to trace. In our nervousness we lean as far back as possible; but the ski instructor is yelling "lean forward," and "bend zee knees." And so our shoulders come forward, our knees bend . . . and our bottoms are left trailing behind.

As we all then discover, it is extremely difficult to ski in this position. The skier's centre of gravity is pushed too far back and control over the direction the skis actually go is largely lost. There is a remarkable tendency to fall over backwards.

This is where the pelvic thrust comes in.

If the skier tilts the pelvis bone so that it faces forward, or even up, rather than down, even the great British bottom tends to move forward and that curve of the spine which is all too often apparent, disappears. Your weight is tipped forward, your control returns and, suddenly, you can ski.

It is simple really, but like all simple things not always easy to do. One day even I might learn.

Meanwhile, however, I will watch proficient skiers and continue to note that admirable straight line betwixt chest and thigh. Evidence of correct weight distribution, and a delightful pelvic thrust.

SNOW REPORTS

EUROPE		
Anzere (Fr)	50-75 cm	New snow needed on all slopes.
Avoriaz (Fr)	15-60 cm	Icy in morning. Snow later.
Grindelwald (Sw)	20-100 cm	Bare patches on lower slopes.
Ischgl (Aus)	60-180 cm	Slush on lower slopes.
Kitzbuehel (Aus)	15-125 cm	Heavy wet snow on all pistes.
Klosters (Sw)	90-190 cm	New snow on upper slopes.
Niederau Tirol (Aus)	40-140 cm	Wet snow on all slopes.
St Anton (Aus)	40-210 cm	Good snow spoilt by rain.
St Moritz (Sw)	80-150 cm	Slush on lower slopes.
Villars (Sw)	25-70 cm	Very warm with slushy snow.
Verbier (Sw	25-140 cm	Lower slopes slushy.
Wengen (Sw)	20-100 cm	Wet snow on firm base.
European reports from Ski Club of Great Britain representatives.		
THE U.S.		
Aspen (Col)	13-26 ins	Packed powder. No new snow.
Hunter (NY)	8-12 ins	New snow (machine made).
Park City (Utah)	0-74 ins	All lifts open.
Squaw Valley (Calif)	6-12 ft	New snow. Broken powder.
Stowe (Vt)	8-18 ins	Packed powder.
Sugarbush (Vt)	9-20 ins	Packed powder.

Figures indicate depths at top and bottom stations.

For current Scottish ski conditions call U.K. (0)31 246 8041.

Why don't they all go home?

COUNTRY SCENE

JOHN CHERRINGTON

SOME YEARS ago a farmer of my acquaintance built brand new houses for his workers and to set off some of the cost he sold the old ones to someone who wanted a weekend retreat. The new owner rebuilt the row of cottages into something of a mansion and then resold it to a retired industrialist.

Then the trouble started. You see the farmer had a large herd of pigs, and with the best will in the world one cannot deny that pigs will cause a smell. The new owner, being retired, had nothing to do with his time but sniff the country air. Which, when the wind was blowing from the piggery, could be said to be offensive. Offensive that is to anyone not actively involved in pig husbandry.

The farmer took little notice of the complaints at first, and when taxed with it said that the original purchaser had bought with his eyes, or should one say his nose open, and knew well that when the wind was in the south west as it frequently is in Britain there would be a smell. The complainant persisted with what the farmer considered to be his harassment, putting sanitary and other officials on his trail. To the farmer's dismay his excuse that the pigs were in the district first was only grudgingly accepted by the officials and there was talk of action being taken through the courts.

In the end a compromise was reached. The farmer at great expense installed a sort of

But this did not quite satisfy the house owner. It seems that when the pigs were smelling strongly, as they do from time to time, their smell mixed with the perfume made the overall scent even worse, at least according to the man's wife. She came to the farmhouse to complain that it was now like that in a Tunisian brothel. When the farmer asked her how she recognised the smell, she walked off in high dudgeon. They haven't spoken since, and the complaints were redoubled.

Eventually the farmer succumbed to the pressure and moved his pigs to another part of the farm, assisted in this by a grant from the European Community. As it was an improvement he was able to double his output of pig meat and of manure. This he proceeded to spread in his fields which, coincidentally, almost surrounded the new house. Never had these fields been so well tended. But although the complaints started once more and the officials came to harass him, they had to admit he was carrying out acts of husbandry, which he had a perfect right to do.

to live in the country should look closely at their surroundings before they sign their contracts and should also realise that the country is the farmers' work place. This is the case now that most villages have become suburbs populated by commuters or geriatrics.

Fifty years ago the majority of villagers were either actively involved in farming, or its supportive skills; thatchers, saddlers, smiths and so on or they were retired from it. They understood the why's and wherefore's of farming operations, and made allowances for them. Some might well have been cowed into an acceptance of the intrusion of farming into their consciousness because their jobs or houses depended on farmers. But on the whole they realised that they were part of the overall rural pattern.

the land the other side of the garden fence is part of their birthright, on which they, their children, their dogs and their horses can be exercised and their rubbish thrown. These are not the vandals from the housing estates who can if caught be dealt with according to the law. But thoroughly respectable middle-class suburbanites who have to be dealt with so tactfully that it raises the farmers' blood pressure to the limit.

These people constitute a greater threat to a farmer's freedom to do what he thinks best for his business than do the conservationists. After all, if a farmer has on his land a registered site of scientific or other interest he will be compensated for leaving it derelict or unimproved. But there is no compensation for the farmer who bows to the pressures of

RACING

DOMINIC WIGAN

DONCASTER today stages a highly competitive race for the William Hill Yorkshire Chase, but for connoisseurs of steeplechasing Cheltenham is the only place to be. There, Brown Chamberlin attempts to give Ashley House 4 lbs in a totally absorbing affair for the Tote Double Chase.

Ashley House has been going from strength to strength and, although Michael Dickinson's statement that his chaser "is not within a stone and a half of Gold Cup standard" cannot be taken seriously, there is little doubt that the nine-year-old is up against it today with only 4 lbs from Winter's most exciting prospect since the days of Lanzarote.

Brown Chamberlin was probably a few pounds below his best when, not getting the praise he deserved for giving two stones to Bannoran in holding conditions over today's 3 miles 1 furlong in December, and if Dickinson is anywhere near the mark in his assessment of Ashley House, the Uplands runner will win.

Thirty-five minutes after the

Cleeve Hurdle, if he is to have any chance in the Champion Hurdle. Scudamore's locally trained mount is only now approaching his peak, and it is long odds-on that he will prove capable of giving only 4 lbs and 6 lbs to stablemates Al Kuwait and Dumper, respectively. Chelsea Island and What a Boy make up the field.

Thornacre was given everything but assistance by his owner-rider at Haydock last weekend and now that he has the services of that accomplished amateur, Mr D. Browne, he looks well worth an interest in Doncaster's opening Haig Whisky Novices' Hurdle.

In the following event, the Sporting Chronicle Brewer's Hurdle, the steadily-improving Fitzwarren is expected to repay each-way support, while half an hour later Raemac is expected to be another one for Mr Browne in the William Hill Yorkshire Chase. Raemac's handler, Michael Dickinson, took the race in 1982 through Bregawn.

CHELTENHAM
1.00 Trust the King
1.35 Dramatist
2.10 Brown Chamberlain*
2.45 Broadsword
3.20 Lucyfar
3.55 Gratification

DONCASTER
1.30 Thornacre***
2.00 Fitzwarren
2.30 Raemac

BOOKS

Noble family story

BY A. L. ROWSE

e Dukes of Norfolk
J. M. Robinson. Oxford iversity Press. £12.50. 288 ;es

\mong the grandest of glish noble families the wards present the most iegated and parti-coloured ture. The popular impression them is of a line of undeviat- ; Catholics, but that has been no means the case, as this ιk shows—and that makes m all the more interesting. veral lines of the great clan re Protestant: Lord Admiral ward of Effingham, for ample: and the Suffolk line. een Elizabeth's cousin, the Duke, who was executed for aspiring to marry Mary een of Scots, was a otestant.

The Tudor period saw the ogee of the Howards so far ability was concerned. Their kedom goes back to Richard . for supporting his usurpa- n of his nephew's throne. The thor is quite right in saying at the Howards were not sponsible for the murder of e two Princes in the Tower: at was Richard's own doing. everybody knew at the time.

Mr Robinson, librarian at undel Castle, looks up the ok written by the 1st Duke's eat-grandson, Lord Henry oward's *Supposed Prophecies*. will find that the Howard mily tradition completely rroborates Sir Thomas More d everybody else as to Richard's "heinous crime." They knew.

What an extraordinary story this book presents—written to commemorate the fifth centenary of the dukedom, 1483-1983, from Richard III to Elizabeth II. Nobody can beat their record in attainders, executions, popping in and out of the Tower, and such amenities. The first four Dukes were all attainted: the first killed at Bosworth, the second restored to the dukedom for winning the battle of Flodden, a disaster for the Scots. The third, Henry VIII's Duke, was the ablest member of all the clan: enemy of both Cardinal Wolsey and Thomas Cromwell, he helped to bring both down, and take their place. At the last Henry had him by the neck, and he was saved from the scaffold only by the King dying a day or two before the due time.

What a snake-pit Henry's Court was (rather like Labour's leadership today) — that of Anne Boleyn's daughter, Elizabeth I, a respectable nursery in comparison. Parliament demanded the execution of her cousin, the 4th Duke, and of his co-conspirator, Mary Stuart. Elizabeth had great difficulty in signing his death warrant, but in the end compromised as usual, saving her other (royal) cousin for another day. She had given him fair warning: "Look to your pillow," she said, a fair hint as to what had happened to Mary's second husband, Darnley.

The author may not know that Norfolk was put up to his tricks by his clever brother, Lord Harry (as "Henry" was always pronounced). Mr Robinson has a very severe judgment of this fascinating character: "this sinister bachelor don . . . an impenetrable enigma, a master of slander and intrigue, almost certainly an agnostic," and so on. He was not an agnostic, but a crypto-Catholic (unlike his brother, the Duke), also a crypto-homosexual. He was a very tricky customer.

What is to be said for him is that he was a conservative who hated the new deal, the Reformation and all its works. Clever, learned and devious, he was frustrated so long as Elizabeth lived; she did allow him a pension, by the way: he was not impoverished, as the author's kind heart supposes. But, with his talents and tastes, he was very much James I's beverage and, once he got his snout into the trough, he made a large fortune right quick to restore the family fortunes for his nephews. He built a fine palace that ran across the gap where Northumberland Avenue is now—such a shame that the Victorians pulled it down; the proud Howard lion he featured on top of it is now at another Howard residence, Corby Castle.

Oddly enough, the Duke who left the greatest mark upon the the country was the shyest, most placid and least glamorous of these obtrusive figures, the late Victorian Duke Henry, who died in 1917. He spent the larger part of his vast income in building Catholic churches and cathedrals, schools, convents, seminaries—and, of course, practically rebuilding Arundel Castle, on which he spent the best part of a million. I only wish he had not spent so much, or at least employed better architects—Bodley, for example. At Arundel Castle I cannot but prefer the enchanting Regency library of the Whig Duke, a man of taste, after all, who said: "if a man is to go to the devil, he may as well go thither from the House of Lords"—and took his seat there as a Protestant.

Holbein's portrait of Thomas, Third Duke of Norfolk—an illustration from the history of the Dukes of Norfolk, reviewed today. The book marks the fifth centenary of the Dukedom

Diva in full voice

BY WILLIAM WEAVER

My Wife Maria Callas
by Giovanni Battista Meneghini, with the collaboration of Renzo Allegri, translated from the Italian by Henry Wisneski. The Bodley Head, £9.95, 331 pages.

The Callas Legacy
by John Ardoin (revised edition). Duckworth, £9.95, 240 pages.

Thirty years or so ago, at the height of Callas's career, Titta Meneghini was a familiar figure: short, stumpy, usually dressed in grey double-breasted suits, and in public, at least—taciturn, dour. If you did attempt to make conversation with him, even on the subject of opera, even on the subject of his wife, you were not given much encouragement or help. He seemed to prefer silence.

He still maintained silence when his wife left him, in a blaze of headlines, for Aristotle Onassis and the jet world, abandoning not only her marriage but, in a tragically short time, her real profession as an opera-singer. Not long before his death (January 1981), Meneghini was inspired to compose a memoir—with the help of the Milanese journalist Renzo Allegri—and to publish it in instalments in the magazine Gente, a less-than-highbrow weekly which usually devotes its space to the doings of pop stars, footballers, and royalty (the Princess of Wales has been a recent favourite). One would not expect fine writing or great literature in this setting. The Meneghini-Allegri book is, from a literary standpoint, no great shakes.

But it is often fascinating, and it casts a new light on Callas's career. As Meneghini justly claims, he was the architect of that career and was thus the ideal person to describe it. One goad to write this book was, clearly, the *Maria Callas* of Arianna Stassinopoulos, whom he corrects on several points. That biography suggested that the Callas-Meneghini marriage was more a convenient partnership than a love-match. Anyone who knew the Meneghinis in the late 1940s and early 1950s could have set Miss Stassinopoulos straight. Callas obviously doted on "my husband the industrialist," as she called him; and her letters, which Meneghini reproduces, confirm the real, impassioned foundation of the marriage, in their disarming simplicity and genuine devotion.

Miss Stassinopoulos also declared that, at the height of her collaboration with the producer Luchino Visconti, Callas fell in love with him. Even to a casual observer at the time it was clear that the soprano was very much under Visconti's spell, but the fascination was more social and intellectual than physical; still less sexual. Miss Stassinopoulos misread the evidence; but Meneghini—in his eagerness to deny any love involvement—denies even the friendship. At one point he insists that he and Callas went to Visconti's hospitable Roman villa on the Via Salaria on one single occasion. Actually, I saw them there myself at least twice, and my impression was that, during their stays in Rome, they were regular visitors.

And so, here and there, Meneghini's account must be accepted with some reservations. Still, it often makes arresting reading. It is hard to believe that at the very end of their marriage, when his whole world was coming to pieces, Meneghini was actually able to keep a detailed, daily journal. But that journal, even if it is a later reconstruction, conveys the suffering of the human drama. Indirectly, Meneghini also gives a not always flattering portrait of himself. His support of Callas, vital to her early career, turned into a kind of collusion, once her career was established. He thought of her, he says, as a commodity, which he had to sell at the highest price. His dealings with Rudolph Bing, whom he wanted to outmanoeuvre, make you feel sympathy even for the cold, autocratic general manager of the Met.

The book has been clumsily made. Little has been done to disguise its origin as newspaper articles, and from chapter to chapter there are many annoying repetitions. Too many pages mainly chronicle Callas's appearances (more systematically chronicled elsewhere), with unilluminating quotations from contemporary critics, not all of them of the first rank. The English edition differs slightly from the Italian, and Meneghini is fortunate in his translator, Henry Wisneski. Himself the author of a very useful book on Callas, Wisneski has annotated the volume with acumen, tactfully correcting some of Meneghini's oversights, and adding further information.

The chief criticism of Miss Stassinopoulos's book was her failure to describe—or even grasp—the significance of Callas as a singer. Meneghini is little better in this respect. Fortunately there has been a recent reissue of John Ardoin's *The Callas Legacy*, a remarkable, sober, penetrating assessment of the great soprano's art. The book is basically a series of studies of Callas recordings; but, as Ardoin, in this revised version, also includes pirates of "live" recordings, the assessment now goes from 1949, when the career was just getting under way, to 1974, the period of the disastrous last tours.

Ardoin is a splendid guide; his book is filled with insights. After all, Callas's dealings with Elsa Maxwell, her love-affair with Onassis, her slimming, are hardly of world-shaking importance (though books about her dwell boringly on these); her voice was. That is what Ardoin's book is about. That is what Callas was about.

Trevor Humphries

Callas: through marital eyes.

Threatening soldiers

BY ROBIN LANE FOX

he Image of a Drawn word
Jocelyn Brooke. Secker and 'arburg, £7.50. Penguin (paper- ick), £1.95, 143 pages

Jocelyn Brooke should never ave been allowed to go out of int. When his *Orchid Trilogy* as revived two years ago, it owled me over by its style, ony and subtlety. How could ich a masterly writer have een forgotten, though he only ied in 1966, aged 58? He left 2 more short novels, of which *he Drawn Sword*, in Anthony owell's opinion, was probably e first to be written.

In fact, it is very good indeed. nyone can understand it, but ew will exhaust it without a third or fourth reading. It is short, a good travel-companion and at the end, it takes you over completely.

After the second War, Reynard Langrish has left the army and is living with his mother in their Kent cottage, while commuting daily to his bank. One evening he meets Archer, a strong figure who seems to offer him an alternative, enlistment in another army for another imminent war.

Archer comes and goes in his mind: is he real, or enlarged by Langrish's own wishes? The war, too, is secret, so secret that its purpose cannot be revealed. The regiment varies from moments of hard reality to a vagueness which haunts even Langrish's mind. Yet it draws him to the very edge of joining up and then to scenes which move like a nightmare governed by logic.

I will not spoil the story. Four or five times a week, truck-loads of camouflaged soldiers lurch past my house to a country lane down which they resort to some unknown exercise. I see them now through Brooke's eyes. His art, I think, is to write simply and to contrive dialogue which is painfully naive. "How can Langrish be drawn on?" you feel, and then you think, "given that it is Langrish, it is bound to happen and it is all simply too ghastly." For behind the dead-pan presentation lies Brooke's own knowledge of his subject. Throughout, you feel his sharp, detached awareness of the battle which his character is fighting and why, to his cost, he cannot win.

I have not read a better novel on the process of succumbing to authority, of wishing that someone will take the lead in a clear-cut struggle which is obviously "good" for you and them.

Any sensitive person who ever signed up will surely respond to it; even the disconsolate Langrish has deadly moments of self-awareness, though they begin to be smoothed over by his coarse fellow-troopers, all of them brilliantly sketched. *The Orchid Trilogy* deliberately drew on Proust: *The Drawn Sword* invites comparison with Kafka. Yet both are simple, clear books because their author writes such wonderful prose and because he, in part, had lived through what he sets out to construct.

Along the coast

BY RICHARD JOHNS

From Trucial States to United Arab Emirates
by Frauke Heard-Bey. Longman, £19.95. 522 pages

The United Arab Emirates remains one of the strangest, as well as the most surprisingly durable, political entities. The federation of tribal sheikhdoms, still evolving, is now in its 12th year. Only a quarter of a century ago its two leading members, Abu Dhabi and Dubai, were engaged in a three-year border conflict. Somehow they and the other five participants in the union are still together.

Frauke Heard-Bey, daughter of the commander of the ill-fated German battleship Sharnhorst but married to an English oilman, loves the area. She proves also to be a formidable scholar. The result is not only a most comprehensive but also a very perceptive and sympathetic account, covering all dimensions, about the area and its people.

To what extent was the territorial pattern of the UAE dictated and possibly distorted by the Pax Britannica? Certainly, the homogeneous integrity was preserved from other predators, not least the Saudis, by our imperial concern to safeguard trade-routes and to abolish slavery.

Admittedly also there were during the era of detached British sovereignty other now forgotten Emirates which might have achieved wider and permanent recognition.

This valuable study indicates, however, that Bombay and then Whitehall through their mini-viceroys in the Gulf gave a reasonable free-play to the tribal forces on the Trucial Coast. She believes, with seeming justification, that the dominant confederation in Abu Dhabi constituted by the Dani Yas, whose sub-section the Al Nahayan has traditionally provided the paramount sheikh, has long been "the basis for the creation of a nation state within a large and geographically very varied territory."

A breakaway faction from this grouping established itself in Dubai in 1833. By the first decade of this century, when the merchants of Lingah on the Persian coast were driven away, this city state had established itself as an increasingly cosmopolitan centre.

In the Northern Emirates the Qawasimi sheikhs, historically the main rivals to the Al Nahayan, have been the main power, whether their main centre was Sharjah or Ras al Khaimah. But the author reflects that Fujairah is the closest of all the Seven to qualify for anything like nationality. She does so in a footnote. There are no fewer than 80 pages of them, some of which might have been blended into a text which is, perhaps, a little solemn in its lack of colour and humour.

In assessing the UAE's future Heard-Bey examines fully the issue of the growing imbalance of expatriate against indigenous population. She concludes that, "if the pattern of the past is continued and if the protagonists of too rapidly increasing central authority patiently restrain the urge to force unification, allowing every stage to evolve when the time is ripe, there is every reason to believe that the prospects for the UAE as a federal state are bright."

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Books do furnish a room

Competition Report by **Anthony Curtis**, Literary Editor

Bonfire Night at Bracken House by Lit Ed was the unkind proposal of Mrs R. L. A. Millington. No prize for that, I fear. Competitors were asked, you may recall, to devise titles for false book-backs, as Patrick Leigh Fermor once did for the Duchess of Devonshire at Chatsworth. **Sideways Through Derbyshire** by Crabbe, **Consenting Adults** by Abel N. Willing were two examples cited.

Certainly one could have made a merry bonfire from all the postcards that flooded in from all parts of the globe but, Heaven forbid, the represented far too great an expenditure of ingenuity (along with a swarm of excruciatingly bad puns) to suffer that fate.

Thanks to everyone for entering with such good humour. Miss Vivienne Painting seemed to sum up the general mood when she wrote: "It has been a very absorbing competition—and not without its laughs either. The whole thing tended to get a bit out of hand—every paper or book I turned to I wanted to make something out of any names I came across!"

Antoinette Parkes wrote from The Manor Bindery at Fawley, Hampshire, to say that theirs is one of the few binderies in England who make up false books for cupboards and doors. Many go into Adam houses. False doors were a feature of his libraries, but they may be used in slightly less grand places; so if you want to have your titles properly displayed your know now where to send them.

Several competitors seem to think along the same lines. C. R. Latimer's **Broken Windows** by Eva Stone was, in variant versions, a firm favourite: as were B. Berkoff's **School Discipline** by Tanya Hyde, Mrs E. Haines' **Cannibal Island** by Henrietta Mann, L. Kochan's **Technological Revolution** by Mike Roe, and Miss M. J. Hudson's **How to Make Money** by Robin Bankes.

Among sports, riding and cricket seemed to offer the best

possibilities: **Saddle Sore** by Rhoda Lott (Mrs H. C. Speed), **Years in the Saddle** by Major Rearsore (Vivienne Painting), and **Australian Fast Bowlers** by Lilian Thomson (Anthony Grady).

In a more mundane arena we had **The New Baby** by Howitt Howles (Adrian Lamb); **Gardening for the Over Sixties** by A. King-Bach (Miss M. J. Hudson) and **Travelling by Tube** by Jocelyn Daly (T. E. W. Widdows). On a more sombre note, **Escape from Holloway** by Freda Quickly came from Mr and Mrs Graham Lynch-Watson.

Films provided some good tries, including **The Movie-Goers' Guide** by C. Watson (Capt W. Mitchell) and **The Sensual Cinema** by Stilmore Sachs and Val Garrity (James Brockway); and so did the Falklands: **Bluff Cove** by R. G. Beeton (A. Tealby), **General Galtieri: a biography** by Watt A Burke (Capt W. Mitchell) and, more subtly, **Modern Maths** by Brian Hanrahan (K. R. H. Coby).

Here we enter the realm of names of real people, either in title or author, which comparatively few attempted: but I liked Mrs M. Lightbown's Gallic wit, **Dizzy Heights** by Montaigne, and **Aeroplane Chic** by Baudelaire: also **Lamb: Essayist and Poet** by Mary Hadder-Little (H. W. Fairlie).

But I could go on citing near-misses for ever and it is time to turn to the winners. All those so far quoted are Highly Commended, but just failed to get into the money. A first prize of £20 to Mrs H. C. Speed: and £10 each for the Runners-up printed below.

FIRST PRIZE

Destruction of the Family Unit by Frank and Ernest Torques (Mrs H. C. Speed)

RUNNERS-UP

Poise and Posture for the Russian Woman by Gorky (John Battersby)

The Church Militant by Canon Ball (Adrian Lamb),

The Thatcher's Craft by Peg Rates (Mrs M. Atterbury)

How Cabinet Secrets Are Kept by Mrs Molesworth (D. E. Lazell)

The Lisping Lover by Keith McKwick (R. A. Rickson)

Ladies' Cricket by Anne Boleyn and Fenella Fielding (T. E. W. Widdows).

Teach Yourself "Scouse" by E. R. Denn (Dr D. W. Cowell)

Night Guard at the Palace by Uffa Sleepe (Capt W. Mitchell)

Indian upbringing

BY VALERY McCONNELL

Vedi
by Ved Mehta. Oxford University Press, £9.95, 251 pages

Vedi is the story of Ved Mehta's schooldays — and they would make a perfect plot for a novel by Dickens. Consider a five-year-old boy blinded by meningitis, whose loving parents send him 1,300 miles away to a school for the blind in the belief that it will be the best way of ensuring that he can cope in the sighted world. However, it proves to be a charity school for the destitute run with great Christian zeal by people who, naturally, are eager for the money and prestige that a middle-class pupil will bring them. Here is emotions of his readers to the last drop as he did in *David Copperfield* when he exorcised the ghost of his own unhappy childhood.

No so Ved Mehta. He simply sets down an account of his daily life and remarkable education in Bombay in the final decade of British India, without recourse to either caricature or condemnation. Yet such is his remarkable memory of his childhood that he has reproduced exactly how it felt to be a small boy trying to make sense of a strange environment. He describes by using sound, smell, taste and touch, conveying acute impressions which have not been filtered and rationalised by the eye.

At one point it is decided that Indian children are sceptical: "No one in the boys' dormitory would believe that there could be white Sahibs and Memsahibs who were blind." To be Indian was unfortunate; to be blind doubly so. The children had constantly to be grateful, not only to the white, sighted missionaries who had founded the school, but also to Jesus, Mary and Joseph — those super-whites in Heaven who had quite extraordinary vision.

Lightness of touch, humour and simplicity — this memoir has all those qualities, and yet to call the end result charming or even touching seems somehow superficial. Ved Mehta may have chosen to understate his case, but nevertheless this tiny tale from the Raj is defi-

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HOW TO SPEND IT

by Lucia van der Post

Pick of the knits

BRITISH DESIGNER knitwear is one of the big success stories of the last few years. Patricia Roberts first uncovered the rich seam when she launched her original, one-off highly individual sweaters on a public nourished on the staider pleasures of Marks & Spencer's Shetlands or, for the better off, of Scotch House cashmeres. Knitwear hasn't been the same since.

Edina & Lena were the next to find international fame and fortune with their own nostalgically pretty hand-knits. They were more than just some pretty sweaters — they launched a whole look which took in frilly blouses, flouncy skirts, sharpened with the unexpected addition of tweed jackets. The whole added up to an irresistible image that secretaries were prepared to mortgage a month's salary for.

Nowadays, anybody wanting original knitwear will have no trouble finding it — almost every town boasts a special knitwear shop and the designs are almost universally enchanting. The trouble remains the price — wool is no longer cheap, and labour is more expensive than ever.

More and more of the people involved in knitting have begun to realise that there are whole groups of people who are sophisticated enough to appreciate the charms of individual, designer-knits, but don't have the bank accounts to pay for them. For them the kit has been developed. Last year I wrote about the Erhmann's knitting packs, which packaged in the simplest possible way provided the wool and the pattern in carefully colour-matched groups.

This week there is news of three more ways of bringing very special knitwear within the reach of all who can handle a pair of knitting needles.

Of the three ventures, probably the simplest and easiest way to your own special hand-knits is the way offered by the Sandy Black kits. For the purchase price you get a complete package — wool, buttons, pattern, colour photograph and all, so that no more decisions remain to be taken — you just get the needles out and start clicking.

The other two — the Nancy Vale patterns which brought to life the sought-after Ralph Lauren designs and the patterns in the Robin Review leaflet, both require you to choose the pattern and then shop for your own wool, buttons and so on.

Finally, if you fall in love with any of these patterns but can't face knitting it up yourself, you may remember that about three years ago I wrote about Mrs Anne Farmer and her circle of some 80 knitters in the Cambridge area. Mrs Farmer and her circle are still going very strong and they will undertake to knit anything to order. They will make up from kits or patterns or even design an original jumper or just copy something you've seen in a magazine. The minimum price is £36 plus the cost of the wool. Contact Mrs Farmer at Cambridgeshire Knitters, 27 Madingley Road, Cambridge.

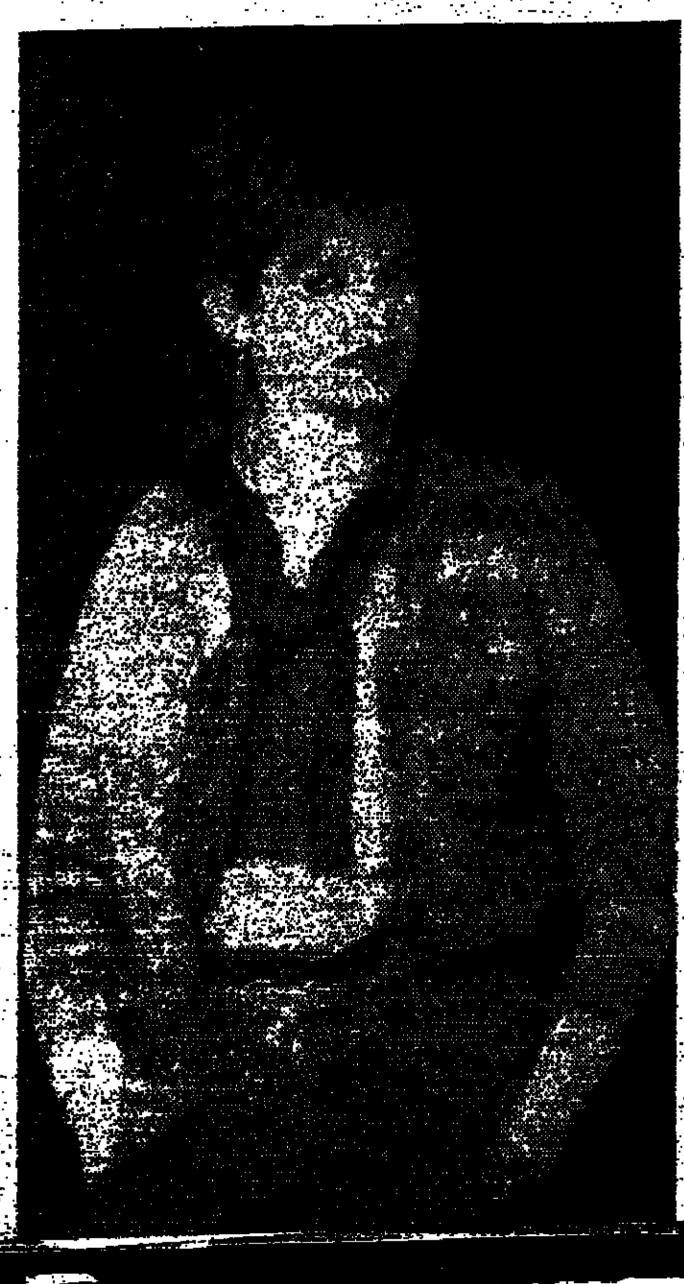
Above, one of the patterns from Knitwear, a magazine showing in full-colour the original Nancy Vale patterns devised for Ralph Lauren's famous handknits. *Many of you* will recognise the designs — they have been photographed on top models all over the world and most of us have been seduced by their particular blend of artless charm and high sophistication. They were the sweaters we all drooled over last winter and those who could afford them bought them, the rest of us bought paler imitations. Now those who are nifty with their fingers can knit them for themselves — as a lapsed knitter they look complicated to me but I dare say those for whom Fair Isles, cables and the other technicalities are everyday fare will have sufficient enthusiasm to master it all. The magazine has 15 patterns, is full of photographs showing the authentic Lauren way to wear them, and it costs £1.95 from most bookshops and some wool shops.

ROBIN REVIEW is a beautifully put together full colour leaflet featuring nine high-fashion knitting patterns, one of which is the cardigan photographed below. The particular leaflet currently on sale is Volume No 2 — No 1 began when Robin Wools had the bright idea of giving wool sales a little push in the right direction by bringing out a knitting magazine that had all the glossy qualities of a fashion magazine. Instead of just featuring a close-up of the garment to be knitted, it was photographed in full-colour, and was beautifully accessoried so that the potential customer could see just what it would do for her wardrobe. She was also shown exactly how to wear it when finished, how to make the most of it. So successful was the first volume that nearly three-quarters of a million were given away.

Volume No 2, just out now, isn't free—it will cost all of 30p but it seems to me worth every penny. Quite apart from the nine patterns (and given that most knitting patterns cost about 25p, they alone must be good value) there is a very clear, full colour page illustrating in detail all the basic stitches—useful for beginners or for those who haven't felt the urge to take up needles for years and are slightly rusty.

Whether you want one of the highly fashionable soft and fluffy sweaters, or a more tailored cable-knit sweater, whether you want a knobbly waistcoat or a sleek cardigan, there will be something in the leaflet to please most home-knitters.

All the designs are the work of Robin Wools' chief designer, Mrs Wyn Greggains, and the magazine itself can be bought at all Robin Wool outlets. There is a print run of 200,000 and it will be fascinating to see just how successful this latest venture is.



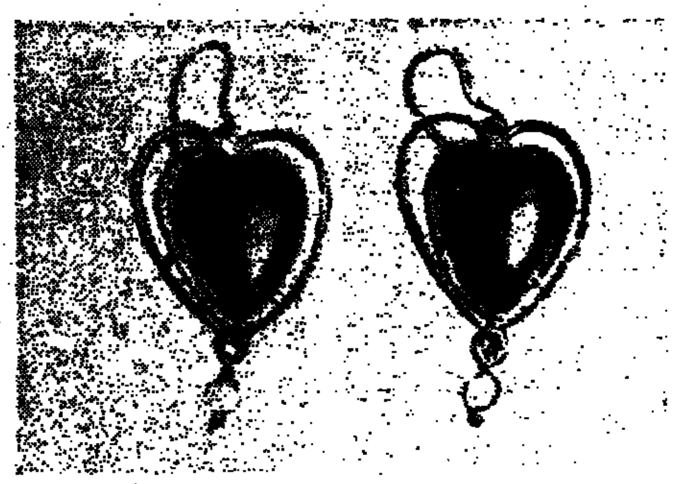
SANDY BLACK knitwear has long been admired by those with a penchant for exclusive, very unusual sweaters. If you've never been able to justify the price of the sweaters in the shops (and mohair ones are about £100, angora ones £170) then now is your chance to knit one for yourself. Twelve designs have been launched in kit form, all beautifully packed in sharp see-through packages—either tube-shaped or shoulder-bag style. The great advantage of the kits is that once you've chosen your design and the colourways you can buy everything you need in one go. At prices ranging from £19.95 to £25 for the mohair designs or from £20 to £77 for the angora ones you will get in one chic package the instructions, a colour photograph to lead you on, as well as the right amount of wool and the buttons.

At the moment it is just the warmer winter wools that are available, a new range using cotton, cotton and silk, and silk and angora, is already in the pipeline for summer.

The sweaters are in heavenly colour combinations which are extraordinarily difficult to convey with just words. Anybody wanting to see the finished designs in full colour should write for the brochure and all other details to Sandy Black Original Knits, Studio 2, 164 Abbey Street, London SE1 2AN (send a large 22p s.a.e.). The kits can then be bought either from exclusive knitwear shops or by mail from the above address (add an extra £2 to cover p&p).

All the designs come in a choice of colourways—there are eight mohair colours and 10 angora ones. The mohair packs are in one size only, while the angora designs cover

From you to who?



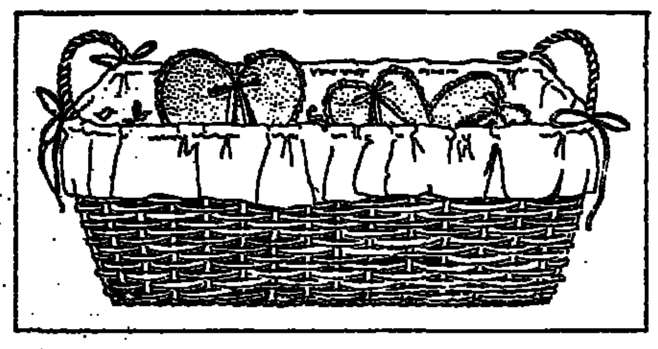
Antique shops and stalls are always a good hunting ground for the unusual, the off-beat, the one-off special present. At Antiquarius, the antique market in the King's Road, London SW3, for instance, there is a large collection of jewellery on the heart theme, like the pair of 9 carat gold lapiz lazuli and heart-shaped earrings photographed above left £80 from Jeri Scott on Stand p10. Photographed right is a gold Victorian double heart bangle, £185, also from Jeri Scott. Much cheaper are the Victorian pop up Valentine cards at Follies, Stand M6/7, where prices start at £7.50.

IF there be anybody who hasn't yet cottoned onto the fact that February 14 is Valentine's Day, I can't imagine who they might be or where they could have been. This year this office has been deluged with more *suggestions for parting doe-eyed* lovers from their hard-earned cash than in any previous years.

For those who leave things to the very last moment, or perhaps meet the object of their affections rather close to the day, the postal services offered by Interflora and Unirose could save many a burgeoning relationship. A phone call to either is all it takes, and who knows where that may or may not get you.

Interflora, darting into the void left by the late-lamented telegram service, now offers what it calls the Interfloragram. At a cost of £5.90 for a message of up to 22 words (the address, unlike with the old telegram service, *is free*) the loved-one will receive the message (which is up to you) and a beautiful single flower (if that sounds mean console yourself with the thought that it could never be accused of vulgarity). The service is available from all 2,700 Interflora member florists.

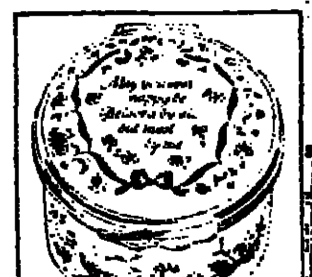
Unirose, the company famous for sending bottles of champagne, bunches of roses, boxes of chocolates, has branched into the more esoteric for Valentine's Day. If you either write to 6, Rabbit Row, London W8 or telephone 01-727 3922 (it accepts credit cards) you can organise for your loved one to receive two pairs of black sheer stockings by Elbeo with a matching elasticated suspender belt—this will set you back £8.95 and if you think it an odd present Unirose assures me it is almost flying out of their offices. Alternatively, there are some free standing mirrors—satin bordered for her, pin-striped edged for him—on which Unirose will write the message of your choice in smudge-proof lipstick, £5.95, including all despatch charges.



Glorafilia, as many readers of this page will know, is a small company that specialises in needlework designs, most of which are supplied in easy kit form. Ever alert to an excuse for a special design Glorafilia has come up with several ideas on a heart-shaped theme for those anxious to acknowledge February 14. Involving no needlework at all, is this chintz-covered basket (in either peach or green) which holds one large pot-pourri filled heart and two small ones. £14.95 (plus £1 p+p) it is available by mail order from Glorafilia, The Old Mill House, The Ridgeway, Mill Hill Village, London NW7 4EB (or, ring 01-906 0212).

IF ON Valentine's Day your thoughts turn towards food the Chicago Pizza Pie Factory offers heart-shaped pizzas. One they say, easily feeds two lovers, no matter how ravenous. Alas, this year, because Valentine's Day falls on a Monday, the factory will not be able to mail the pizzas so this year the service will be available for Londoners only. Heart shaped pizzas, costing £6 each, will be available from 11 45 am to 11 30 pm in the Chicago Pizza Pie Factory itself at 17, Hanover Square, London W1 or, at extra cost, they can be delivered by taxi on the day (tel 01-491 3526).

Alternatively Art for Eating will design and make a cake like no cake you're ever seen. For Valentine's Day it suggests a heart-shaped cake, lavishly laced with brandy, decorated with a sugar-dipped, edible rose. Iced with a personal message, it costs £10 plus delivery charge from 6a, Gwendolen Avenue, Putney, London SW15 (tel 01-788 3934).



Among the most enchanting commemorations of celebratory days are always the Bilston Enamels for which Halcyon Days has become so justly famous. This year's Valentine's Day box has the enchanting message you see in the photograph but the colouring is also fetching — a white background tied up with scarlet ribbon and festoons of flowers in pink, blue and yellow. £27.60 (£1.40 p+p) from Halcyon Days, 14 Brook Street, London W1Y 1AA.

ARTS

Sleeping Beauty

BY CLEMENT CRISP

Looking at *The Sleeping Beauty*—as I was on Thursday night at its revival at Covent Garden—and listening to Chaikovsky's sublime score, there seems a courtly world and a view of its dramas implicit in the music but not fully expressed on stage. It is in part a matter of noble utterance, with every emotion and action, whether beneficent or malevolent, grandly stated by the orchestra and less richly exposed by the dancers; in part a matter of musical structure, exactly matched by Petipa's pacing of incident and shaping of the dance, mostly well realised by the production.

In the first two acts, the formal patterns of the dances and their overall shape afford a wholly satisfying correspondence for ear and eye, and it is here that the staging is admirably right. If the fairy variations seemed somewhat underpowered, there was every satisfaction in seeing the wonderful logic in the detail and progress of the Prologue, and the exposition of the first act—with Lesley Collier's buoyant, precise Aurora its heart—was excellent. Chaikovsky's world, Petipa's world, was truly there on stage.

It is the diminution of effects, the trimming of the score and the constricting of scenic scale, which bothered me about the Vision and the Wedding. Here, where a fulfilment of the drama is so clear in the music and so strongly implied by the development of Petipa's choreography, the staging balks and adopts short cuts.

I have recently had a preview of a video recording of the Kirov presentation, and in this the expansiveness and magnificence of the ballet's last scene is organically right because respectful of musical and choreographic structure. The Royal Ballet must restore cuts, people the wedding with all its missing fairy-tale guests. Then perhaps its artists will sense the larger horizons of the piece, and find a grander resonance for their dancing.

Miss Collier's joyously assured Aurora, Wayne Eagling's dashing Florimund, will then also avoid that over-emphatic bravura they showed in the wedding duet on Thursday: they will not need to force effects to convince us that the occasion is more joyous than the staging at present suggests.

Triumph by Gas Light

BY ANTONY THORNCROFT

The Churchill Theatre, Bromley, has rather cornered the market in thirties thrillers, exhuming Edgar Wallace corpses and now breathing life into Patrick Hamilton's 1938 success, *Gas Light*. For the actors it is no small triumph. *Gas Light* teeters on the brink of Victorian melodrama and offers three hammy roles, with wonderful opportunities for every histrionic emotion. Not since drama school can the principals have had such fun.

Jon Croft as "Bad Jack" Manningham, Louise Jameson as his persecuted wife, Bella, and Dave King as the quite unmysterious detective Rough snarl and whimper, bluff and clench, and only burst out laughing at the generous curtain calls. Their commitment manages to hide the high class tosh of the plot.

To an audience trained in contemporary thrillers to suspect everyone it comes as a slowly dawning shock to realise that the cad is a cad, the heroine a heroine, and the chap pretending to be a policeman is, well, a policeman. No attempt is made to pep up the anodyne story, which ends with the perfect cliche of the constable entering a room for the first time and making an unchecked bee line for a piece of rope needed to restrain the prisoner. There is, indeed, a marked absence of terror—not even ghostly overhead footsteps when the script cries out for them.

Jon Croft plays Manningham as an exploding tyrant rather than an insidious schemer, presumably to counter the cool insouciance of Dave King's natty detective. Louise Jameson, the puppet on her husband's strings, jangles her nerves effectively.

Patrick Hamilton, who wrote a classic novel in "Hangover Square," handles dialogue convincingly, and his skill almost disguises the thumping flaw in *Gas Light*—why a husband, trying to get his wife out of the house, hides a letter from her cousin pleading with her to go and stay in Devon.

Master Class for Stakhanovites

BY B. A. YOUNG

David Pownall's new play Master Class at the Haymarket Leicester springs from the proceedings of a great Russian Musicians' Union conference in 1948, where Zhdanov, Russia's cultural supremo, sets himself to tell the composers how to write acceptable Russian music. They were not accused of false relations or consecutive fifths, but of vague offences like formalism and epigonism. What they had to do was to leave all that and write jolly songs for the Stakhanovites (you can read it all in Alexander Werth's *Musical Uproar in Moscow* if you can find a copy).

Mr Pownall has imagined an evening in mid-conference where Stalin has bidden Prokoviev and Shostakovich to the Kremlin (a superbly beautiful design by Martin Johns). Zhdanov (Jonathan Adams) is alone to start with, listening to a record of Bix Beiderbecke. The two composers enter, first Prokoviev walking with difficulty after his stroke, then Shostakovich small, young but collected. Peter Kelly and David Bamber, play these parts very well: they achieve physical resemblance, both of them play music of some complexity on the Bechstein at the centre of the stage, and, when pressed, sing Georgian folk-songs in extempore four-part harmony.

The first half of the play shows Zhdanov a coarse, crude bully, and Stalin (another of Timothy West's telling impersonations) playing with the two in alternate friendship and enmity. Stalin has a caseful of Prokoviev recordings; pretending that he is about to play Prokoviev's personal choice he begins to smash them one by one until he and Zhdanov have littered the floor with broken shellac and empty sleeves.

Timothy West as Stalin: another telling impersonation

The relationships between the four are ably displayed in this first act, but then Mr Pownall seems to have turned to the flip side of his piece and strays into a farcical episode where all four, pretty drunk by this time, try to co-operate on a setting of a nonsensical Georgian folk-tale which Stalin gives them. It's funny in its way, but it changes the key: and when the key changes back to a scene in which Stalin hails the two composers as geniuses and entrusts them with the future of Soviet music, it is hard to find the way back.

An enjoyable evening on the whole, nonetheless, admirably played by all four and directed by Justin Greene. When it ends, the two composers are invited to attend the Musicians' Union conference next day. Without Stalin's friendly understanding to soften Zhdanov's coarseness, their fate cannot be a happy one, as indeed the story of later Russian music duly confirmed.

Kasprzyk excels in Mahler test

BY DAVID MURRAY

Thursday's Philharmonia concert introduced not only a newly-orchestrated set of Mahler songs but a 30-year-old Polish conductor, Jacek Kasprzyk, who replaced the ailing Simon Rattle. The main work in the programme, Mahler's *Lied von der Erde*, is a serious test; Kasprzyk distinguished himself in it. True, the Philharmonia's first-desk players were in superlative form — I mention none of them because one would have to salute so many — and he wisely gave them their heads in Mahler's generous solo writing. But the whole performance was cogently shaped and paced, and acutely sympathetic: anyone meeting *Das Lied* for the first time will have heard a remarkably faithful, balanced account.

On the podium Kasprzyk is a nervy, angular figure. That wasn't reflected in his poised readings of Mahler's six contrasted movements. Even the raucous despair of the opening song, projected with stern force, was coolly measured; Kasprzyk was everywhere sparing with rhetorical breaks of pulse. Alfreda Hodgson, his contralto soloist, might have preferred a little more leeway in "Von der Schönheit," but the tenor John Mitchinson was obviously glad to go headlong through his first and last songs. The Drunkard's soft high notes caught him off guard, and the ironic elegance of "Von der Jugend" is not his style, but his lusty good sense was effective.

Kasprzyk had no more luck than most conductors with persuading the Philharmonia to a real, magical pianissimo, though otherwise the full-blooded playing he drew from the strings was a pleasure. With a properly gripping hush in certain passages, and the singers in best instead of second-best voice, this *Lied von der Erde* would have been not just very good but memorable. The seven early songs we heard earlier in the concert, orchestrated by Colin and David Matthews with stylish tact, are much easier. Ann Murray sang them with grace and wit. Such convincing concert versions of these songs, the only ones that Mahler left with mere piano accompaniments, will find a welcome in the repertoire, though I suspect that two or three of them will remain more effective — brief and modest as they are — in their original plain dress.

Amadeus revisited

I have seen Peter Shaffer's *Amadeus* three times in the theatre, and tried hard to gather what it was that sent so many people into ecstasies. This romantic version of the legend that Antonio Salieri, Court Composer to the Austrian Emperor Joseph II, poisoned Mozart out of musical jealousy never seemed to me to live up to its high theme. On the stage, Peter Hall's direction kept the spirits from sagging unbearably. On Radio 3 on Sunday he collected most of the original cast, including Paul Scofield as Salieri, Simon Callow as Mozart and Felicity Kendal as Constanze. They played the revised text first heard at the New York production, in which the complexities of the last act are simplified. Once again, I found I couldn't believe in it.

I couldn't believe in Mr Shaffer's plot, to begin with, in which Salieri dedicates himself to God in a bargain (his own word) by which he will live a pure life if God will make him a famous composer. This would do for an opera, but in a play we understand too much. We observe Salieri's faults; for are not Pride, Gluttony and Envy among the deadly sins as well as Lust? This Salieri had reneged on his bargain before he ever heard the distant strains of the woodwind serenade K361 that drove him to his ultimate wickedness.

Not that Mr Shaffer's Salieri is not a fine dramatic character—indeed the only character in the play truly drawn in three dimensions. But he doesn't fit the plot. Fascinating as Paul Scofield made him, both in the days of his cannibalistic jealousy and his repentant old age, he cannot make him more lifelike than King Dodon or Mephistopheles. Simon Callow's Mozart (his giggle toned down since it flickered about the Olivier) was more convincing, because more lifelike, even if only a collection of received ideas. Miss Kendal could do little with the Cockney Costanze; for once I was glad that I couldn't see what I could hear. Sir Peter Hall directed the radio performance; David Spenser produced.

The BBC sees keen on the mysterious East at the moment. On Sunday evening, Radio 3 gave us the third of its interesting series, *India: a Cacophony of Cultures*, a programme on the Indian press. An hour later you could turn to Radio 4 to hear the first of a parallel series, *Kipling's India*, in which Marghanita Laski conjured up the atmosphere of India at the end of the 19th century with a well-chosen selection of readings from Kipling's prose and verse. Kipling is still much underrated, but these readings illustrated his astonishing ability to paint a picture. The first of them, the first page of a story called *The End of the Passage*, depicts four men playing whist at the height of the hot season. This is a terrifying story: but if it hadn't progressed beyond this first page it would still have been a little masterpiece.

The programme dealt with the civilians, not the Army, and there seemed to be no walk of life in which Kipling wasn't well-informed. I must emphasise that the programme was about India, not about Kipling; yet by the end of it I felt that I had looked at a scale-model of the Indian Empire, from Viceroy to provincial engineer. All these people, Ms Laski pointed out, were inspired by the noblest of ideals, the dedication of service to others.

RADIO

B. A. YOUNG

A less friendly look at the Far East was last Saturday's Radio 4 piece, *Prisoners of the Japanese*. David Wade collected the reminiscences of former prisoners during the last war, and truly horrifying they were, with their stories of brutality, starvation, bestial punishment. The Japanese regarded prisoners as the lowest form of life, undeserving of any kind of consideration. A five-day rail journey was made with 32 men locked in a box-car with no sanitary amenities and one tin of M and V between 14 prisoners. At one camp, 409 prisoners out of 1,200 died within a month, of beriberi, dysentery or cholera.

I'm not altogether sure what object there is in reviving these wretched memories. Those of us who don't drive German cars drive Japanese cars; there is no more than a commercial conflict between us now. We have supped full of German horrors for a long time, but we have always been careful to pin the beastliness on the Nazis. Has there been political reversal in Japan enough for us to exclude today's Japanese from the deeds of their warlike fathers? I only ask for information. Perhaps Radio 4 will tell us.

F.T. CROSSWORD PUZZLE No. 5,084

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

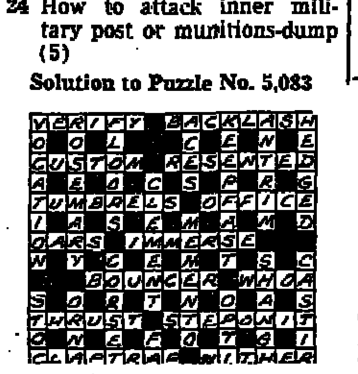
ACROSS

1 Long time no see, such a bishop? (7)
5 Top billing in observatory curtailed (7)
9 What's the weather like? Air disturbed, extremely nasty! (5)
10 Rattle, perhaps, less common now on a bus (9)
11 Petruchio's declared ambition in wrangle (9)
12 Gulf where in France there is a marshy tributary (5)
13 Likely place for decipherment of Ogham characters? (5)
15 Collected floral decorations—retrograde student-prank on ground near railway (9)
18 Plot to control earth? (9)
19 Wise man near Morecambe? (5)
21 Make a remark when head comes off golf-club (5)
23 Look out for high tars! (5-4)
25 Verne's sin perhaps—characters in edgy state (9)
26 Pleasant smell usually, nothing grim (5)
27 Surety needed for last of silver spoons laid out (7)
28 She made sin seem sorry (7)

DOWN

1 This great blow split a party (7)
2 Perhaps at thrilly stage in final set? (6-3)
4 Regular figure in short receipt problem (9)
5 Char to make notes on energy (5)
6 Foreshadow trouble at Bermuda (9)
7 Feeble like some Morse signals (5)
8 Newspaper column for weather forecasters? (7)
14 Random form of most Irish (3-2-4)
16 Condemned to a prison—can mean death to deserters (3-6)
17 Insecure, like Priestley's corner in play (9)
18 Old boy in a top-hat carrying paperback (7)
20 Draws out former civil wrongs (7)
22 Twisted roots and trunk (5)
23 Comfort following articulation of two hips? (5)
24 How to attack inner military post or munitions-dump (5)

Solution to Puzzle No. 5,083

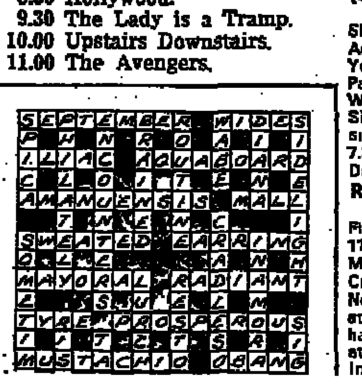


SOLUTION AND WINNERS OF PUZZLE No. 5,078

Mrs V. A. Care, 6 Myrlefield Park, Belfast BT9 6NE.

Mr Edward Wauton, 9 Antells Way, Alderholt, Fordingbridge SP6 3AW.

Mr R. Gedling, 27 Wallace



BBC 1

† Indicates programme in black and white

9.15 am Hold Down a Chord.
9.30 Saturday Superstore. 12.12 pm Weather.
12.15 Grandstand, including 12.50 News Summary; Football Focus (12.20); World Cup Ski-ing (12.40, 1.10); Racing from Cheltenham (12.55, 1.25, 2.00, 2.35); Rallying (1.45), The Monte Carlo Rally; Cricket (2.20, 2.55), The World Series Cup, England v New Zealand from Adelaide; Snooker (2.55, 3.55), Benson and Hedges Masters from Wembley; Atheltics (2.55, 3.55), The Philips AAA/WAAA Indoor Championships; 3.45 Half-time soccer scores; 4.35 Final Score.
5.10 News.
5.20 Regional Variations.
5.25 Rod and Emu's Saturday Special.
5.55 Jim'll Fix It.
6.30 The Saturday Film: "Aces High," starring Malcolm McDowell, Christopher Plummer and Simon Ward.
8.20 The Les Dawson Show.
8.55 News and Sport.
9.10 Dynasty.
10.00 Wogan.
10.45 Saturday Late Film: "Oceans 11," starring Frank Sinatra, Dean Martin, Sammy Davis Jr, Peter Lawford and Angie Dickinson.

REGIONAL VARIATIONS:—

Wales—8.55 am Hold Down a Chord. 9.10-9.30 Soccer: The John Toshack Teach-In. 5.20-5.25 pm Sports News Wales.

Scotland—5.20-5.25 pm Scoreboard. 12.50 am Scottish News Summary.

Northern Ireland—5.00-5.10 pm Northern Ireland Results (opt-out from Grandsatnd). 5.20-5.25 Northern Ireland News. 12.50 am Northern Ireland News Headlines.

England—5.20-5.25 pm London and the South-East: Sport. South-West (Plymouth): Spotlight Sport. All other English Regions: Sport/Regional News.

BBC 2

10.10-11.40 am Open University.
†1.40 pm Saturday Cinema Double Bill: "The Captive Heart," starring Michael Redgrave, Rachel Kempson and Mervyn Johns.
3.15 "Oh, Rosalinda!" starring Michael Redgrave, Mel Ferrer, Anthony Quayle, Anton Walbrook and Ludmilla Tcherina.
†4.55 Charlie Chaplin in "Easy Street."
5.25 Buongiorno Italia!
5.50 Snooker: Benson and Hedges Masters.
6.50 Sight and Sound in Concert: UB40 (Simultaneously on Radio 1).
7.30 News and Sport.
7.45 Saturday Briefing.
8.20 Willoughby.
8.50 Cell.
9.30 Top Gear Special.
10.00 Maestro: Geoff Duke, Motor Cyclist.
10.25 News on 2.
10.30 Snooker: Second semi-final of the Benson and Hedges Masters.
11.30 "Face to Face" (third of four programmes starring Liv Ullmann).

LONDON

9.30 am Sesame Street. 10.30 The Saturday Show presented by Isla St Clair.
12.15 pm World of Sport: 12.20 Ski-ing from Sarajevo, Yugoslavia and from Les Diablerets, Switzerland; 12.40 On The Ball with Ian St John and Jimmy Greaves; 1.15 News; 1.20 ITV Six from Doncaster and Ayr (introduced by Brough Scott and Derek Thompson); 2.55 American Football — The AFC Final—Miami Dolphins v New York Jets; 3.30 Indoor Athletics — Wanamaker Millrose Games from Madison Square Garden, New York; 3.45 Half Time Soccer News and Reports; 4.00 Wrestling; 4.45 Results Service.
5.05 News.
5.15 Luna.
5.45 Chips.
6.40 Punchlines.
7.10 3-2-1.
8.10 Murder, Mystery, Suspense.
10.00 News and Sport.
10.15 The Big Match.
11.15 Saturday Stayback.
12.00 London News Headlines followed by Continental Movie: "Time For Loving."
1.40 am Close: Sit Up and Listen with Brian Cox.

CHANNEL 4

1.30 pm Tom Keating on Painters.
†2.00 The Gathering Storm: "The Hitler Gang."
3.40 Memories of Berlin: The Twilight of German Culture.
4.35 Password
5.05 Brookside.
6.00 7 Days.
6.30 News Headlines followed by Preview 4.
6.45 A Week in Politics.
7.30 Gastank.
8.30 Hollywood.
9.30 The Lady is a Tramp.
10.00 Upstairs Downstairs.
11.00 The Avengers.
12.00 Death in the City: "The Glass Key," starring Brian Donlevy, Veronica Lake and Alan Ladd.

S4C (WALES)

1.40 pm Shakespeare Lives: Timon of Athens, Part 2. 2.05 Common Interests. 2.35 The Spanish Civil War. 3.25 The Tube. 5.00 Yr Awr Fawr. 6.00 Upstairs Downstairs 7.00 Twyllo'r Teulu. 7.30 Newyddion Saith. 7.45 Minafon. 8.30 O Wynlyd I Adlyd. 9.20 Y Maes Chwarae. 10.10 The Irish R.M. 11.05 Sam Goldwyn presents: "The Masquerader."

All IBA Regions as London except at the following times:

ANGLIA

9.35 am Welcome Back Kotter. 10.05 Star Fleet. 10.15 pm Match of the Week. 12.00 Portrait of a Legend. 12.30 am At the End of the Day.

BORDER

9.40 am Kum Kum. 10.05 Star Fleet. 10.15 pm Match Time.

CENTRAL

9.40 am Batman. 10.05 Star Fleet. 10.15 pm Star Soccer.

RADIO 2

5.50 Final Pools Check. 6.00 Country Greats in Concert (S). 7.00 Beat the Record, with Keith Fordyce. 7.30 Big Band Special (S). 8.00 Magic of the Musicals (S), including 8.50-9.10 Interval. 10.00 Hilversum Greets Radio 2 (S). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S).

THEATRES

ADELPHI. 836 7611. CC 930 9232. Evgs 7.30. Mats Thur & Sat 2.30. Limited season until Feb 12. ANNIE. The spectacular stage musical. Group sales 379 6061/836 7358.

ADELPHI. S CC 836 7611. MARILYN! The Musical. Prevs from Mar. 3. Opens Mar. 17. Group sales 379 6061. Evgs 8.0. Mats Wed & Sat 3 pm. Credit card Hotline 930 9232.

ALBERY. S 836 3878. CC 930 9232.

HAYMARKET THEATRE ROYAL. 930 9832. Grp sales 01-379 6061. DONALD SINDEN, BERYL REID, MICHAEL DENISON, DULCIE GRAY, JUDY BUXTON, SEBASTIAN SHAW and BILL FRASER in THE SCHOOL FOR SCANDAL. Directed by John Barton. Evgs 7.30. Mat Wed 2.30. Sats 3.30.

KINGS HEAD. 226 1916. Dnr 6.45. Show 7.45. MR CINDERS. A musical comedy with music by Vivian Ellis.

LONDON PALLADIUM. 01-437 7373. ONLY 2 WEEKS LEFT TO SEE MICHAEL CRAWFORD in BARNUM. MUST CLOSE FEB. 5. Limited seats available for Mon-Thur perfs.

CHESS SOLUTIONS

Solution to Position No. 459

1 R-Q8, Q-QB3 (if QRxR, White easily wins the queen endgame); 2 B-B4 ch, K-R1; 3 QxR ch! QxQ; 4 B-B7, R-K1; 5 RxR ch, RxR; 6 B-Q8 wins.

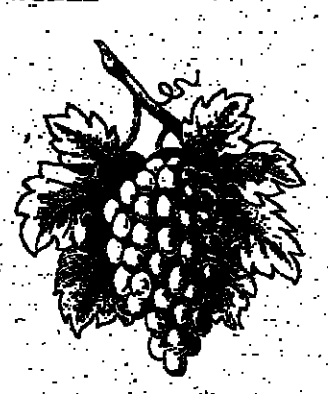
Solution to Problem No. 459

1 B-Q8 (waiting), NxB; 2 RxNP, or if B moves: 2 Q-QR1.

WINE/COLLECTING

Problems ahead for champagne

BY EDMUND PENNING-ROWSELL



IN SPITE OF its somewhat complicated, drawn-out method of production, superficially champagne seems a relatively simple wine. Although there are considerable variations of quality throughout the region, these are to a great extent lost sight of in the blending system on which all champagne is based.

Certainly the growers in the remote Aube and the lower Marne, under the graded categories in which all the producing communes are classified, secure for their grapes only 80 per cent of what the cultivators of the top communes on the Montagne de Reims and the Côte des Blanc are paid. And those who grow Pinot Noir and Chardonnay rather than the commoner Pinot Meunier receive an extra franc a kilo for their "noble" grapes.

Yet there are only these three grapes, and when we come to drink the wine there are none of those subtleties that distinguishes a St Julien from a Margaux, or a Chambolle-Musigny from a Vosne-Romanée. There are no single-vineyard wines except Philipponat's Clos des Goisses on the Montagne de Reims, and vintage variations do not play the same important rôle as they do in most other fine wine regions. The real variation is only between the brands, often difficult for the consumer to differentiate.

In fact, however, the world of champagne is complex, though well organised in the last 20 or 30 years. Its success is very much based on understanding and co-operation between the industry's two sides, which if fundamentally with the same aims in view, are likely often in the short term to be opposed. For, unlike in Bordeaux or Burgundy outside the co-operatives, the people who grow the grapes do not for the most part make the wine or sell it.

For the merchants themselves only own 12 per cent of the Champagne vineyard area, and they rely absolutely on supplies of grapes produced by about 17,000 growers, most of them small-holders, owning only a few hectares.

Nor until fairly recently has the history of relations between grower and merchant always been a smooth one, reaching its most critical point with the revolt of the vignerons in 1911, a protest against the importation by the merchants of grapes or wine from the Loire. Moreover, between the two world wars, the *maisons* very much held the whip-hand in deciding what grapes they would take and how much they would pay for them. The story of Champagne Mailly in that top-quality village on the Montagne de Reims was symptomatic. The villagers formed a co-operative to produce and sell their champagne, because in the 1920s they could not sell their grapes to the merchants; and grapes must be pressed as soon as picked. This co-operative was discriminated against until after the last war.

Yet in the last 25 years or so the boot has increasingly been on the other foot. Growing world demand for champagne has enabled the growers to negotiate from strength. To assure supplies of grapes to the merchants, an ingenious contract system was drawn up in 1959, and generally re-negotiated every six years, though owing to the very poor vintage in 1981, renewal was postponed from 1982 until next year. Under the contract participating growers agreed to sell a proportion of their grapes at the vintage, and half-way through each contract period they could alter their proportion marginally. The percentage of the crop contracted has varied from a maximum of 52 per cent to the present figure of 46 per cent.

It will be appreciated that differences can arise not only between growers and merchants, but also between the larger firms, whose overseas markets must be maintained at all costs, and the smaller houses, relying proportionately much more on the home trade and lacking the financial resources to pay very high prices for their grapes.

Meanwhile, over the years, a growing proportion of the crop has not been sold to the merchants but retained by the growers to make and market under their own labels (there are 7,000 different brands) or to have a co-operative make it for them and return for direct sale. Nearly half the champagne drunk in France comes directly from growers.

So there are many questions to be answered about the future of a wine closely associated with an aura of success. The most immediate — what proportion of the crop will be contracted for when the new engagement is negotiated in a year's time. To influence this and encourage the growers to sign up generously was one factor in the high price of the 1982 grapes; nevertheless a decline in the engagement is generally expected. The size of this year's crop and its price will be more to the point when negotiations begin.

Yet the size of the crop this year and over the next seven years provides another element of uncertainty. A vintage producing 180-190m bottles would be welcome, completing the restocking to provide an average of three years' sale. But with sales last year at around 140m bottles, anything more would be an embarrassment.

Moreover, the area under vines is being extended. After at least five years of virtual standstill in a total planted area of about 24,000 hectares, 310 hectares were planted in 1980 and came into production last year, and from 1981 onwards over 700 hectares will have been planted each year until 1990, to make a total additional production area of 5,000 hectares — over 20 per cent more than hitherto. As the average production of grapes per hectare is around 9,500 kilos or 7,000-8,000 bottles, an increase of 35m to 40m bottles must be envisaged. Can an average sale of 230m bottles be counted on, particularly when there is increasing competition from other sparkling wines? The answer must surely to some extent depend on price.

Then, increased production may alter the balance of the industry. With abundance rather than potential scarcity of grapes, the growers may lose their commanding position. The merchants in their competitive drive—against each other as well as with other sparkling wines — may be able to force down grape prices and be more selective about where they buy their supplies. In the battle, which could begin as early as next year when the 1982 grapes begin to be included in the non-vintage brands, some of the smaller houses might well fall by the wayside. This would be a real loss, for a champagne industry of effectively no more than ten or 12 firms would lose a good deal of its varied attraction and power of choice; and some well-known names might be among the fallen.

With larger output overall will the growers be able to absorb the surplus, either by making and selling more champagne themselves (and less than a third of the total do so today though most of the rest also have other occupations) or by selling grapes to the co-operatives? And will the latter, through a union of co-operatives, as already exists between four or five of the biggest, start competing under brand names with the merchants? And not only inside France.

Whatever the outcome of these developments we (occasional) consumers should be the beneficiaries. For at least in real terms prices may well come down. But we shall benefit only if quality is maintained, the main factor that keeps champagne ahead of its sparkling rivals.

Centuries of treasure chests

BY JANET MARSH

THE MAN who invented the wheel has a runner up in the competition for discoveries that have changed society. He is the man who first realised that he could put six planks of wood together to create a box. The idea evolved, presumably, from a hole in the ground where possessions might be concealed.

It took only a small leap of the imagination to realise that you could make your own portable hole. The earliest form of chests we find in museums are formed from a length of tree trunk, with one side sliced off to make a lid, and the other hollowed out to make a receptacle. It was one further step to the concept of building up, rather than hollowing out a box; and so the chest or coffer or hutch or kist or loc or box or trunk was born.

The form of the chest progressively developed. By extending the planks that formed the ends of the simplest form of chest downwards, not only was the structure made sounder, but the box was raised off the floor by the feet thus formed. This provided some defence against damp, which was only one of the hazards to which objects buried in the bottom of great chests were exposed. A 17th century Bishop of Chichester ordered his chapter to turn out the cathedral chests "lest anything should perish by the boxes becoming old or by the eating of worms."

Early in the sixteenth century the use of cypress wood was advised as a deterrent to moths; but by end large the English preferred chests of oak. For a period in the fifteenth and sixteenth centuries soft-woods were used for what were known as "Danzig chests," from the name of the port where the Baltic fir or spruce was shipped.

With the sophistication of the joiner's craft and tools in Tudor times, the old simple plank chest was outmoded by the framed and panelled chest. The more costly chests became more and more elaborately decorated with carving and architectural forms; though among country craftsmen the simple and graceful geometrical ornament of Gothic times survived for many generations. The rich and royal came to favour coffers studded with brass and tooled in gold.

By the second half of the 16th century the chest was already entering upon the next stage of its evolution, into the more complex forms of furniture that would eventually supercede it. "Draw-boxes" developed into drawers; and from at first having one or two drawers below the main lidded storage section, the chest was ultimately transformed into the chest of drawers.

More chests, dating from medieval times to the 18th century, have come down to us than any other kind of furniture. This is explained in part by the vast numbers which must have been made; and in part by their proverbial sturdiness and persistent utility. When, after the 18th century, chests no longer had a place in the new elegance of well-to-do homes, they were handed down to the servants and dependents. Chests that had once held great men's riches became handy corn-bins for cottages, and in this way earned their survival.

Some of the survivors figure in an exceptionally good sale of English oak furniture at Sotheby's next Friday, which incidentally offers a brief history of the evolution of the English chest.

The most costly — it is estimated to realise £4,000 to £6,000 — is likely to be an Elizabethan example with a perfect frenzy of carving. The most fetching, however, is a smart leather-covered travelling trunk, decorated with brass applique.

SPORT

John Barrett reports on the retirement of Wimbledon's superstar

Goodbye Bjorn . . . and thank you

THE RETIREMENT of Bjorn Borg from the mainstream of international tennis at the age of 26 following some disappointing losses in exhibition matches intended as stepping stones towards his return this spring, marks a milestone in the game's evolution.

His style of fierce top spin driving developed spontaneously and naturally; you would never have taught anyone to play the way he does with a Western grip on the forehand hit off an open stance and a double-handed back hand that flicks through the ball.

But 14 years ago when he started to play as a slightly 12-year-old with the racket his father had won as a prize in a table-tennis competition, he was too small to manage the racket any other way as he practised against the garage door at the family home in Sodertalge, near Stockholm.

To his eternal credit Percy Rosberg, his early coach, recognised the effectiveness of these shots, unorthodox as they were. He saw, too, a dedication towards hard work and practice plus a depth of concentration that were extraordinary in one so young.

But there were tantrums, too. Bjorn himself likes to remind us that he was not always the ice-cool match player we came to admire and respect. "I once smashed my racket on the ground in temper," he recalls, "and I was suspended. It had a good effect on me and I decided I would never lose my temper again."

He never did — at least never did he let it show. The rage that all players feel still burned at times but always the fires were under control and directed towards the all-consuming purpose of winning.

The first time I saw Bjorn was as a shy 15-year-old at the Beckenham Tournament in 1971 whither Rosberg had sent him to get some experience of English grass courts. Even then you could never get him off the practice court.

There were two clear clues to his future greatness the following year. In the spring, still 15 and now under the influence of Lennart Bergelin, he came back from the loss of the first two sets to beat the experienced New Zealander Onny Parun in a Davis Cup tie in Sweden. Three years later he would lead Sweden to their only Davis Cup success, a 3—2 victory over the Czechs in Stockholm — "my proudest moment," he said at the time.

Then at Wimbledon he recovered from 2—5 down in the final set of the boys' singles final to beat Buster Mottram for the title. Afterwards I asked him what his ambition was. "To become the best player in the world," he replied simply, without a trace of conceit. It was merely a statement of intent—one which at the time I could not recognise as achievable.

Indeed in my review of that Wimbledon I said, after describing Borg's win . . . "and it is clear that the young Swede is a match player of great class but his technique, bred on clay courts, will certainly limit his effectiveness on grass." Well, we can all be wrong!

At the time most experts shared that view. Generally players who hit across the line of flight of the ball are never effective on really fast courts.

But what we had all missed in 1972 was Borg's miraculous timing—even on grass—and his tremendous speed about the court. Nor did we guess then just how good his serve would become. By the time he beat Ilie Nastase for the first of his five consecutive Wimbledon titles in 1976 he was using a heavier racket and his first delivery was as lethal as Stan Smith's or John Newcombe's.

Borg feeling the heat

Also by the mid-1970s many of the game's great natural volleyers like Newcombe and and Smith, Laver and Rosewall, Ashe and Nastase were fading.

Borg's great contribution to our game is two-fold. First, he showed the effectiveness of eliminating error with positive shots instead of defensive ones. The heavily topped ground strokes at once gave plenty of margin for error and were also difficult to play against as they dipped sharply at the volleyer or reared up off a length against the baseliner. It was sometimes boring but it was to set a fashion because it worked.

Second, he proved the priceless value of total concentration and dedication. Indeed his court demeanour, though sometimes remote and colourless, was an object lesson in self-control.

Having achieved so much so young it is entirely understandable that Bjorn has decided to enjoy some of the pleasures he has denied himself for so long and to spend some of the vast fortune he has amassed (some estimates put it as high as £30m).

I for one will miss the rolling gait, the sloping shoulders, the gaunt, bearded face and the bright narrow-set eyes that saw all but gave nothing away.

I would like to thank him for the hours of pleasure and enjoyment he has given us all and for the dignity he brought with his success.

David Palmer looks at a man with his sights on the America's Cup

Sailing into an $8m gamble

PETER DE SAVARY is 38 years old. He lives in Nassau, from where he operates in international trade and investment broking, fixing deals, and earning himself a percentage, or a piece of the action. It's a business that seems to be making him a tidy little pile. At least, I hope it is, because the international prize that he has fixed his sights on for 1983 is the America's Cup; and he says he is spending $8m on the challenge.

Do I detect a light groan from the FT's perceptive readers? Not another America's Cup challenge? Not another series of national humiliations off Newport, Rhode Island?

But wait a minute. After spending two days in Nassau last week, I have to report that the somewhat unlikely figure of Peter de Savary (the first "a" is pronounced short, as in "have") is mounting the first serious and potentially effective British challenge for yachting's elusive Holy Grail since Tommy Sopwith in 1934.

There is one major question mark hanging over the challenge. Will the new 12-metre racing yacht, being built at this very moment at Fairey Allday on the Hamble, turn out to be a winner? If it does, then in almost every other respect de Savary is doing all the things a challenger would have to do to bring the America's Cup back to Britain for the first time in 133 years. For instance:

● *Helmsmen:* de Savary has brought together Britain's four top racing skippers. Every day throughout this winter, Rodney Pattisson (two Olympic golds and a silver); Lawrie Smith (several world and European championships); Harold Cudmore (Ireland's top offshore sailor), and Phil Crebbin (Olympic helmsman and Admiral's Cup skipper) are racing against each other two or three times a day in two evenly matched 12-metres.

Since October, they have been coached by Peter Bateman, who himself has three world championships under his belt. Crebbin and Cudmore have been working and living the America's Cup challenge more or less full time since May of last year. Pattisson, Smith and Bateman joined the squad in October.

Each of them knows that at least two of them will have to drop out before the finals against the Americans in September—always assuming they get that far. Yet all four have given up between a year and 18 months of their lives because they, like de Savary, are bewitched by the America's Cup; and they share the belief that this time, between them all, they can succeed where 24 previous challenges have failed. It was in 1851 that the schooner America came over to Britain and hammered the entire British racing fleet on a course round the Isle of Wight. The America's Cup—the Auld Mug, as Tommy Lipton whimsically called it—has stayed bolted to a stand in the New York Yacht Club ever since.

Peter de Savary: a percentage man

● Crew training: The crews of all past UK challenges have suffered by comparison with the Americans. De Savary has assembled in Nassau, and will transfer to Newport in April, a squad of 42 people—25 for the boats, and 17 for the shore, all of them on full board, keep and "pocket money." Their days begin at 6.45 am in the car park of Nassau's Pilot House hotel, where they are put through 45 minutes' physical training by a loud shouter on secondment from the Navy.

After that, it's on the water all day and practice, practice, practice, with a review of the day every evening.

On shore, one of Britain's top sail designers is running the sail development programme, and the sails are being recut and redesigned in the squad's portable sail loft; Graeme Winn, a young New Zealander with a PhD in statistics, is taking a £25,000 ICL Perq computer out on one of the tenders every day, to monitor boat performance. The computer receives real time data from the boats, and [illegible] how well they are [illegible] sailed. Winn is in constant radio [illegible]ogue with the [illegible] to find ways of [illegible] miniscule improvements in performance.

● The boat: In motor racing parlance, the crew and the sails represent driver and engine, the boat is the chassis. Here, de Savary, one of nature's gamblers, has put his whole $8m challenge behind one throw the dice. His new boat, almost certain to be called *Victory* will not be in the water for racing until May 1. There —three from Australia and one each from France, Canada and Italy, all of them with their boats already sailing.

The first of the elimination trials against these other six challengers begins on June 18. If the new *Victory* turns out to be a dog, de Savary has no fall-back. By mid-May, when *Victory* will have been put through her paces, de Savary will know whether he is in with any chance at all.

Throughout June, July and August, the seven challenging boats will race against each other in some 50 separate elimination trials. If *Victory* survives all that, then the final test will come when the Americans are faced for the first time in mid-September.

● Finance: In the two days I was in Nassau last week, six new sails arrived (value about $75,000) to add to the existing wardrobe of over 70; a fairly casual decision was taken after five minutes' discussion between de Savary and the skippers to spend $25,000 on software for *Victory*'s navigation system; the crew got their "pocket money"; and the hotel bill was paid (living and running expenses of the challenge add up to about $18,000 a week).

In those two days, de Savary spent more money on his challenge than I have spent in 32 years of competitive sailing and racing.

But who is Peter de Savary? And where is all this money coming from? In his office he jabbed with his ever-present cigar at a model of a 32-storey, $100m apartment block at 54th street and Sutton Place in Manhattan. One of his companies, he said, had put together the finance for the building, and had later sold a third of the apartments. It was a good and profitable deal, and he and the financiers he brought into it agreed that "a certain amount of the profit from that building would be allocated to the America's Cup. It was sort of a condition."

His business—which consists of only 20 people—involves him in putting together deals in real estate, oil, ships, aeroplanes, "the whole works"—though he likes to stress that he does not deal in arms. Many of the deals are clinched by a quick trip in his private jet. If he was putting together a shipping deal today, "I would tell them there's going to be a 3 per cent freight surcharge which is a contribution to the British effort to win the America's Cup."

The way Mr de Savary tells it, it's a new version of the percentage game. The percentage in it for him is his exposure, via the sports pages, as a principal player in a sporting event which always develops into a media circus. "If the challenge works, and we do well, it can only be good for business," de Savary smiles broadly. Just in case his business contacts have missed the point, he has bought, for $1m, a 140-foot luxury escort vessel, the *Kalizma*, that used to belong to Richard Burton and Elizabeth Taylor. He got it cheap, he says, so when the racing is over, he should sell it at a profit; and anyway, "everybody who is doing the

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Fumbling to judgment

WITHIN A little more than three weeks, on the normal timetable, the Treasury computer, second-guessed by officials will grind out the forecast known as the Budget Judgment. It will contain a great deal more guesswork than usual. Any forecast of oil prices and revenue must be tentative; the "working assumption" that the exchange rate remains unchanged will look glaringly unrealistic, even if it should improbably prove to be quite near the mark.

The behaviour of consumers is a further mystery, has the recent shopping boom been a once-for-all celebration of unrestricted consumer credit, or a shift in the savings ratio? Now, to cap it all, the water workers may be undermining comfortable assumptions about wage behaviour.

Strategy

It is true that the present Government has from the start turned its back on demand management and "fine tuning." Its steady fiscal strategy in face of daunting economic developments is widely read as an economic version of the Falklands spirit. However, even a medium-term strategy must respond to events, for they affect the revenue and expenditure flows which produce the desired fiscal and monetary results.

In its early days the Government would simply have instructed the Bank of England to keep tight control of the money supply: but that high, confident morning is long past. The controls failed, yet the results were not those expected; the money supply exploded, yet the pound rose, inflation fell, and activity fell much faster. Now every indicator of economic performance seems to be pointing in a different direction. Low activity and robust surplus say policy is tight: high spending and a weak pound deny it. M1 is exploding. M3 is orderly.

These puzzling events do not mean, as is popularly supposed, that economics has joined astrology and psychiatry in the ranks of the pseudo-sciences: they mean simply that the form of analysis which has become dominant since economists got their hands on computers works badly during a crisis of confidence.

From a practical point of view, however, the result is much the same as if economics had collapsed: there is no magic in the forecast which would enable Sir Geoffrey Howe to reset the automatic pilot for 1983-84, and utrn his attention back to the meaning of liberal conservatism. His Budget will be tentative, whether he says so or not. The usual autumn course correction will no doubt be needed again.

Cautious

It should then be rather a cautious Budget in economic terms, which rules out dramatic tax cuts. Which way should it lean? Here again judgment must be tentative. The well-reasoned case put up last week by the CBI for concentrating on industrial costs is not so persuasive as it would have been before sterling fell 12 per cent on the effective rate, and 22 per cent against the Japanese yen. It may may well be, however, that further cost cutting through tax relief would boost exports and restrain imports without the need for any further depreciation. After all, when Mr Shore consults the Treasury model, he learns that we are still grossly uncompetitive.

A strong alternative claim can be made on behalf of the poor. While average consumer incomes are quite strong in real terms, the poor — the unemployed, those in the hardest-hit industries on short-time, and the low paid—have much less to celebrate. The Government's attack on subsidies, particularly on energy and travel charges, have hit them disproportionately hard.

Instincts

The Government's own instincts will probably favour measures which help to restrain prices. The fear is that the correction in sterling, and some revival of militancy, could reverse some of our progress on inflation. The nationalised industries are already showing signs of a much softer line on prices; how pleasant to give a little extra help through value-added tax or excise duties. An economist might not favour this line, but there is an election somewhere in the tea leaves.

The trouble is that with little more than £2bn to play with, the Chancellor cannot do anything dramatic on any front; all claimants will be disappointed, and the end effect on our economic performance will be slight. Perhaps that is why there is so little advanced excitement about March 15.

There is an alternative approach. Our tax system is still a mess, over-complicated and distorting; we waste money on regional and investment incentives when it is employment which is the problem. The radical Sir Geoffrey who indexed capital gains and long-term borrowing, and abolished exchange contorls, could be radical again. Unhappily, though, that is not a forecast.

BRITAIN'S WATER STRIKE

The struggle below the surface

By Philip Bassett, Labour Correspondent

BRITAIN'S first all-out national water strike, which began this week, reaches its first major turning point today. Union leaders are meeting this morning to consider their members' rejection of the employers' latest offer: armed with that rejection, they have now to decide whether to press for talks to be re-opened

Publicly, all three sides—Government, employers and unions—seem entrenched. But beneath the surface lies a whole range of factors pulling the parties in different ways as they struggle to come to terms with a strike few thought would ever happen.

● Government. The standard theory about a water workers' strike is that its consequences are too appalling to be contemplated politically: "The prospect of sewage in the streets is a politician's nightmare, and a vivid indication that the Government has lost the capacity to govern"* is the alleged advice of the Cabinet Office's Civil Contingencies' Unit (CCU).

According to this theory, therefore, ministerial intervention should be directed at averting the strike. The unions claim that in this dispute the opposite is the case.

The Government's abolition of the employers' body, the National Water Council (NWC), in July seemed to the unions the first provocative move. They were convinced that it was designed to break the water unions' centralised bargaining strength, because pay bargaining would probably be handled at regional level.

The near-public rows between Mr Tom King, now the Environment Secretary, and Sir Robert Marshall, the NWC chairman, over the Council's abolition led to Sir Robert's premature departure and his replacement by Sir William Dugdale, a man much more clearly a hard-liner; as one industry insider put it, "a man who was a Thatcherite before Thatcher."

Temperature raised by Tebbit intervention

Meanwhile, Mr King's intervention in the talks back in November hardly seemed to the unions to be designed to reach a speedy settlement. He ordered the employers not to make a proposed offer of 6 per cent, which might at that time well have been the basis for a negotiated settlement, but to cut it instead to 4 per cent.

Earlier this month, just as both sides were edging towards their first negotiations for two months, Mr King was found to be meeting the employers secretly over pay.

The temperature of the dispute was hardly lowered this week when Mr Norman Tebbit, the pugnacious Employment Secretary, angered the unions, the employers and his Ministerial colleagues by alleging that the strike vote of the main union involved, the General, Municipal and Boilermakers' (GMBU) was constitutionally invalid. Unions and employers both believe that Mr Tebbit's intervention swung marginal votes against the latest offer.

Where the strike is biting: women in Mrs Thatcher's north London constituency collect water

Now that the strike is biting the talk in Whitehall is no longer of cutting offers, but of standing back to let the NWC offer what it wishes — insisting that of course it would not be funded by government, but through increased water charges.

The Government privately seems to recognise that the employers could find perhaps another 2-3 per cent on top of their present "final" offer of 7.3 per cent over 16 months — which is about 6 per cent on an annual basis.

Yet for all this apparent relaxation, there are those in the Government who think it should sit out the strike. This theory holds that there will be little public sympathy for workers already earnings an average of £136 per week (including overtime and various bonuses) at a time of high unemployment; and that if there is sewage in the streets, the blame can easily be placed on the unions.

As one industry insider put it, in a reference to the Prime Minister and the GMBU's general secretary: "In the course of 1982 Mrs Thatcher got one way or another the scalps of Arthur Scargill, Rodney Bickerstaff, Ray Buckton and General Galtieri — and I don't think she will be put off by David Basnett."

● Employers. The employers are also being pulled both ways. Eight of the 10 chairmen of the regional water authorities in England and Wales—political appointments by the Environment Secretary—are seen as Conservative supporters.

But set against their general willingness to follow the Government's pay targets is considerable resentment that the Government has abolished their national platform, and the belief that as employers they are caught between two sets of contradictions. On the one hand are the unions, ostensibly committed to free collective bargaining, but seeking a fixed pay position—a rise in line with the "upper quartile," or top 25 per cent of outside manual earnings, on the other is the Government, also ostensibly committed to a market policy on pay, but in fact operating a pay policy for the public sector only.

The employers have a considerable commitment to, and sympathy for, their workforce. The last NWC annual report, for example, asked people to "reflect on the harshness of the conditions in which water workers operate in these circumstances alongside men from other essential services."

The water authorities are well aware that they are constrained by the Government's financial controls: pre-set ceilings on capital spending programmes; a strict financing limit; financial targets based on current cost accounting; and performance aims supplied to major cost headings.

But the employers also know that compared to other public sector bodies, they have much greater flexibility on pay, largely because theirs is such a capital intensive industry. In the past this has helped them to avoid strikes, but this time they have had much less freedom of manoeuvre.

Wages account for only about 28 per cent of total costs in the water industry (compared with 60 per cent in, for example, British Rail). Accordingly, even though both sides cost the total claim at about £40m, the unions say it would add only 2½ per cent—or 3½p per week on household water rates — to overall costs.

The union case is based on the simple premise that water, like gas and electricity, is an essential requirement. The NWC's own calculations show that workers in the gas and electricity supply industries earn about 10-11 per cent more than those in water.

The employers have consistently rejected the idea that the jobs of workers in the three utilities are comparable, and that there is no justification in the water unions' claim — yet they privately acknowledge the force of the "populist logic" of the union position.

● Unions. Though senior figures such as Mr Basnett have insisted for long that this strike would take place, on the basis of a new mood of militancy among water workers, others on the union side were surprised that the dispute had actually slipped over a brink often reached in previous years.

On the first morning of the strike even pickets confessed that they had expected it to be suspended. But at the same time, the membership response to the strike call has been near-total.

Water workers have never been on strike before. Indeed, until 1971 it was a criminal offence for a water worker to strike (the relevant 1875 Act was repealed ironically enough, by a Conservative government). They may well display all the characteristics of virgin strikers, like the firemen in 1977: an unshakeable belief in the rightness of the claim, and of their unions' ability to deliver it; and a tendency not to know the right moment to call off the action.

Like the health workers last year, their awareness of the very responsibility of their jobs ensures that they will not be determinedly bloody-minded like some strikers. Thus this week they have resolutely stuck to union guidelines designed to avoid action which prejudices public health, and have received little credit for it.

However, while the unions have maintained their unanimity on the upper quartile claim for a rise of 15-20 per cent—though in last weekend's talks they rejigged it to a "going rate" increase plus 8 per cent—there are tensions between them.

With a post-entry closed shop recognising three unions, and a dwindling labour force because of the inroads into numbers made by the Water Industry Productivity Payments Scheme (WIPPS), competition for membership recruitment is often fierce between the GMBU, which has about two-thirds of the industry's 29,000 manual workers in membership, the National Union of Public Employees (Nupe), which has probably more than 8,000, and the Transport and General Workers' Union (TGWU), which has the rest.

For instance, last year a majority of water workers across the three unions voted to reject a 9.1 per cent offer. Even though the GMBU was itself deeply divided on it, it cast its nine votes on the trade union side in favour of acceptance. This with the vote of the agricultural workers (since merged with the TGWU), was enough to defeat Nupe and the TGWU by 10 votes to nine.

Even pickets had expected a suspension

Since then, Nupe has recruited hard in the industry on the basis that it would have won more money — but was prevented from doing so by the GMBU.

This inter-union tension has surfaced most obviously in the differences between the hard-line statements from Mr Ron Keating, of Nupe, and Mr Eddie Newall, of the GMBU.

Nupe and the TGWU have been making a lot of the running in the dispute. But as employers point out privately, they can afford to — strike pay in the GMBU is currently £21 per week, which means for its members costs of around £400,000 each week. By contrast, the TGWU pays £12 — making weekly costs of £24,000. The employers believe that militancy comes easier when it comes cheaper.

While the unions know that their members' work is often dirty and unappealing, they recognise too the force of the decision by Mr Ian Buchanan, the mediator appointed by the Advisory, Conciliation and Arbitration Service, which rejected their claims for comparability, on the harsh grounds that high unemployment puts a premium on a job rather than high wages.

Unions face danger of appearing a busted flush

Although they know their strike is a powerful weapon, there is a danger in its usage. The CCU estimate that "within 48 hours of manual workers' striking, health hazards could become a real danger"* has proved overly pessimistic. By yesterday, only 14,500 properties, covering about 40,000 people, were cut off from mains supplies. Industry so far seems to have escaped relatively unscathed. Sewage is being pumped directly into rivers, and about 5.7m people are being advised to boil their drinking water, but no supplies have become too contaminated to use.

The cumulative effects of the strike could make the position considerably worse next week, particularly if the present relatively mild winter weather changes. But if things do not get too much worse — and especially if the Government does not have to call in the troops to maintain supplies, which it shows no signs of wanting or needing to — then the unions face the danger of appearing as a busted flush. Instead of proving their industrial muscle, a strike with only continued limited effects could refute it.

The natural moderation of the GMBU may well win through. Even though union leaders roundly rejected the Buchanan award, the GMBU issued a statement after an emergency executive meeting saying that "a negotiated settlement is both possible and advisable" with the terms of his award.

Despite the collapse of talks, despite the fresh rejection of the "final" offer, the momentum for a settlement does not yet appear to have faltered completely. If unions and employers pick up the Whitehall soundings, a deal could still come sooner rather than later.

* *States of Emergency: British Governments and Strikebreaking since 1919. Keith Jeffery and Peter Hennessy. Routledge & Kegan Paul, £14.95.*

Letters to the Editor

Rates

From the Borough Treasurer, Blackpool

Sir,—I must ask you to allow me to respond once more to Mr M. E. D. Davis. In his letter (January 17) he says that I conveniently ignored several points which he then proceeds to outline. Readers will recall that I took him to task over his misplaced confidence that the Government would not be to blame for many of the rate increases that will occur next year and I explained why the Government would in fact be to blame in many instances. In articles on January 17 and 18 Robin Pauley once more made clear the fact that the Government's block grant and target systems have broken the link between expenditure decisions and changes in the rate levies of individual authorities thus reinforcing the earlier point he and I had both made.

The points Mr Davis says I ignored are not germane to the argument we were conducting and by changing his ground he concedes that over which we were fighting. Magnanimity would require that I pursue him no further but a little harrying might be forgiven. Taking the points he says I ignored in the order he presents them:

(a) He appears, by implication, to complain that the non-domestic ratepayer has no local vote and, therefore, no direct influence over local rates. It is worth pointing out that this same lack of direct influence on the part of commercial and business concerns is true of all taxation.

(b) If Government needs to be the defender of the taxpayer and the non-domestic ratepayer, as he asserts, it needs a better system than the one now in use. In the meantime, it is dishonest to pretend that the present system does not cause genuine problems for individual authorities and produce results which are incomprehensible to ratepayers. The effect is to damage local government and democracy.

(c) ... grounds that they are founded upon indicators which are annually updated. This updating, unfortunately, does not mean that the indicators themselves are reliable. The results, in recent years, clearly show that they are not. Furthermore, they are susceptible, as is the whole system, to manipulation by central Government.

(d) I do not complain at the lack of a constant pattern of grant distribution—only at the high and unpredictable degree of change.

(e) He is correct in believing that I do not think central Government, which in this case means Whitehall, can possibly know the needs in every year of every local authority but this does not mean that I believe that central Government is always wrong. The evidence, however, is that it has been wrong in this matter too often to pretend that it is always right.

(f) While I agree that the market place is not always available to local authorities and that it imposes a stringent discipline upon business, I do not agree that it inevitably requires efficiency. It is possible to succeed in business without being efficient and to fail despite being efficient. Mr Davis should know that.

Lastly, it must be conceivable that, as Mr Davis claims, his working party knows more about local government than I know about business. Even if he is correct, that does not make his assessment of the consequences of the rate support grant settlement any more valid.

D. Wardman.
Town Hall, Blackpool.

Implicit

From Professor P. Minford

Sir,—Max Wilkinson's statement (January 22) that "not one of 14 forecasters managed to get within 1½ percentage points of predicting 6 per cent inflation for the end of last year" is not fair to the Liverpool Group. Our June forecast ... cent. We did not forecast the year end figure but it is clear that we would have had to predict implicitly a figure roughly midway between these two; ie, 6 per cent. What is more we have had much the same forecast since we started forecasting in March 1980, when we predicted 8.1 per cent for 1982, and 4.3 per cent for 1983.

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Airports

From the Chairman of the Executive Town and Country Planning Association

Sir,—In Michael Donne's wide-ranging review of the third London airport inquiry (January 10) he makes mention of Maplin regretfully but says, in paranthesis, ". . . . another attempt to revive it, by the Town and Country Planning Association, petered out last year." With respect, it is only your correspondent's awareness of the proceedings that has petered out.

This association was able to make the case for Maplin in principle, and to have it thoroughly examined, during nearly three weeks of the inquiry's time last summer. If the media showed no awareness of this happening, at least the inspector will have it in mind. It is to be questioned whether the importance of the other cases before him is to be measured by the number of words used, or the time spent, in argument over them.

In reality, it is politics that will decide the matter. This includes, incidentally, the politics of a monopolistic national airline with a fleet adapted to operating with adequate load factors only from hub airports, rather than regional ones—thereby compounding the forces of centralisation. Primarily, however, as your correspondent rightly describes, the politics is a self-cancelling one as between the opponents of Stansted and of Heathrow terminal 5. What ... Luton in jeopardy, the political decision will logically be found to lie between Maplin and Schippol.

When that national decision comes to be taken, it may be recognised that, given the will, a rectification of the gross imbalance between the east and the west of London should be the deciding factor.

Maurice Ash.
17, Carlton House Terrace, SW1.

Food

From Mr P. Beck

Sir,—Your headline on January 18 "Green £ change stops tax on food" caused much alarm and despondency. That there has been no change in the green £ and the tax system on food in this country likewise remains unchanged.

What happens is that each year the EEC Council of Ministers agrees a series of prices for agricultural produce in ECUs (European currency units) and also "green" values for each European currency so that the common prices in ECUs can be converted into D-marks, pounds, etc. Usually the "green" currency rates and the spot (real) rates are closely similar but the UK wants to be different and since August 1980 our "green" pound has been an average of 10 per cent undervalued compared to the real thing. Setting prices in undervalued currency of course makes them more expensive in currency units and minimum food prices in this country have been set 10 per cent too high for the last 2½ years. This has been a primarily British decision and it would be wrong to blame EEC. To protect UK minimum prices, which are higher than elsewhere, MCAs are levied on imports into UK but it is wrong to regard these as "EEC taxes on food." Much of our food is produced in this country and is not taxed at all. MCAs are like anti-dumping duties and are UK imposed through our choice of our own green £ value which sets prices ...

What happened last week is that the real pound has fallen so that it is no longer worth more than the green pound, which has remained fixed. This decreases the international value of UK food market prices; it is no longer so attractive to sell into UK. MCAs disappear along with the need for them.

Will the removal of MCAs (taxes according to your correspondent) reduce the price of food in UK? No. Prices will either stay the same in £ terms in this country or go up because of imperfections in the MCA system! Although this may seem a paradox, it is in accord with common sense. A falling currency buys less food.

Will the removal of MCAs help the Minister of Agriculture? Possibly. It may well be easier for him to fight for what UK wants within EEC without a currency anomaly which his colleagues in the Council of Ministers can use against him.

But what would UK consumers really like in the long term? The answer must be a firm national currency and a green pound that is not undervalued.

Peter Beck.
2, Atherton Drive, SW19.

Transport

From Mr M. Owen

Sir,—Your editorial "Back to the engine shed" (January 21) is to be applauded. It certainly was inadequate for the Serpell committee to judge the role of our railways without considering a national policy for all forms of transport. I suggest three features for such a policy: an integrated transport system, a socially oriented system and an economic system.

By integrated I mean that all the different forms of transport should be planned to work in harmony with each other. If one finishes a train journey at 11 pm, it should not be the case that one finds that the last bus left at 10.57 pm!

Regarding transport as a ... store if she does not have a car. Simply because some people live in remote areas or in difficult terrain does not justify their being deprived of reasonable means of transport.

An economic service means that transport should be provided by the most cost-effective method possible. If, to provide a link between Huddersfield and Sheffield a bus service costs less money than a train service, then the former must be used. More importantly, perhaps, if the bus service is run by a private business, then so be it.

The obviously frequent conflict between social service and economy should be overcome to some extent by charging travellers who use more costly services higher prices. This is not to argue that any degree of cross-subsidisation by travellers is wrong. It is wrong merely that, in running a social service, one set of customers subsidises another disproportionately.

Michael P. Owen.
25, Claremont Drive,
Headingley, Leeds 6, W. Yorks.

Banking

From Inga Haag

Sir,—My (big) English bank sent a U.S. $ cheque drawn by an intergovernmental organisation on a big Belgian bank to Brussels for collection on December 9, followed with a Telex on January 4, another Telex on January 6, a mailed reminder on January 10 and with yet another Telex on January 19. On January 25 I was still without my money and my bank without a reply.

My bank tells me that this example of international banking is the rule rather than an exception. Is this due to inefficiency, a breakdown of the computer technology in communications or malpractice? Who gets the interest? Not I. I have already made a considerable loss at the going interest rate. Has not the time come for the EEC Commission to set up a fair-trading office to look into these leisurely banking prac...

هكذا من الاصل

Jonathan Carr, in Bonn, reports on the country's mood 50 years after Hitler came to power

The anniversary that haunts the Germans

IT COULD have been any ordinary audience—of yesterday or today—when the speaker began. There were businessmen with furrowed brows, evidently with balance sheets on their minds. There were young men fingering their ties and trying to look at ease. Wives and girl friends furtively glanced to left and right to see what others were wearing.

By the end they were all on their feet applauding wildly, all had the same ecstatic expression—their private troubles lost in hope and admiration for the man with the tooth-brush moustache on the platform.

This scrap of old news film was shown the other night in a West German television programme about the rise of Adolf Hitler, who became Chancellor 50 years ago this Sunday. Other scenes were more immediately gripping—a torchlight march by the Nazis through the Brandenburg gate in Berlin, or the massed ranks and fluttering Swastika banners of a Nuremberg rally. Yet it was those images of quite ordinary people transformed within minutes which lingered in the memory. How did Hitler do it, and why did the Germans let it be done to them?

A few years ago it seemed most Germans were not even trying to answer these questions—that they had closed their minds to Hitler and the Third Reich. History began for them with the "Jahr Null"—that is with war's end in 1945—or perhaps in 1949 when the Federal Republic was founded. Before that there was a void into which no one trespassed who wished to keep some sense of balance.

That has all changed—and the action taken to mark the January 30 anniversary shows it well. Conferences and exhibitions are being held all over the country, television and radio programmes, newspapers and magazines delve into the political, economic, social and cultural background of the 1920s and 1930s. One brief walk round a small town in the industrial Ruhr region this week revealed bookshops with windows filled almost exclusively with volumes about the Weimar Republic (1919-1933), Hitler and the Nazis. Some were translations from the English but others were original works from the swiftly growing German literature on the period. After so long in which so little was heard about all this, the Germans seem determined to make up for lost time.

Some people argue that this burst of interest in the Nazi past dates from the showing here in 1979 (with a repeat last year) of the American television series, Holocaust, about the fate of a Jewish family. But there is surely more to it than that. West Germans have long been chronic worriers about the safety and stability of their country, which lies on the border of the Communist empire and would be the first hit in any future war.

It is not surprising if Germans reflect on parallels with the 1930s . . . hoping that these are superficial

It is not surprising if Germans reflect on possible parallels with the late 1920s and 1930s. They look back hoping for evidence that the parallels are, in fact, superficial. But at any rate they want more information about how the collapse into tyranny occurred—and how anything similar can be avoided.

There is quite a lot in the current flood of historical material to comfort them. The Weimar Republic (that "most democratic of democracies" as one of its ill-fated leaders called it) never had much of a chance. It was afflicted from the first by crippling reparations demands from the First World War victors. Its constitution permitted a splintering of political parties, all with a right to parliamentary seats, and rule by presidential decree, both of which worked against truly stable government. The extremists on both wings hated it — the centre felt little solidarity with it. Indeed, it is surprising that Weimar tottered on for as long as 14 years.

The Federal Republic, in contrast, benefited from a (largely) enlightened attitude by the Western allies — including provision of U.S. Marshall aid. Its constitution prevents parties which gain less than 5 per cent of the vote from entering Parliament — and the president's powers have been cut while those of the Chancellor (head of government) have relatively increased. The Federal Republic has so far lasted nearly 34 years and, throughout, has been ruled by governments of the centre, sometimes with a dash of the political left, sometimes a flavour of the right.

Most non-Germans have thus tended to view the country, politically, rather as they would a best boy in school—praiseworthy and (fortunately) rather dull. That attitude has changed a bit with the rise of the Greens who seek, among other things, drastic changes in industrial society and West German withdrawal from Nato. It would certainly be foolish to ignore a movement which might well jump the 5 per cent hurdle and enter the Bundestag for the first time in the March 6 election. But it would also be exaggerated to compare this amorphous movement with no clear leadership to the rise of the Nazis under a fanatic demagogue with an iron will, in conditions of economic and social crisis.

Hitler's visit to Nuremberg in 1933

True, West German unemployment will probably be close to 3m next winter, economic growth is minimal and net borrowing by the Federal Government is higher than ever (close to 3 per cent of Gross National Product). But when Hitler came to power there were about 6m registered unemployed (without the full benefits of today's — admittedly strained — social security system). The Germans had been through a period of hyper-inflation which destroyed savings and brought fierce, lasting resentment. The Reichsbank spewed forth almost worthless notes like confetti. Workers collected their paper wages in wheelbarrows and the price of a cup of coffee in a restaurant rose while one was drinking it.

Today the Bundesbank is (highly) independent of government and steers the money supply along its strictly appointed course with the disciplined ease of a limousine coasting down the Autobahn. The inflation rate, which was around 7 per cent at its recent worst, is now below 5 per cent and dropping further.

These comparisons between Weimar and the Federal Republic could be continued indefinitely—and in almost every case they emerge overwhelmingly in favour of the latter. And yet a sense of uneasiness remains. Many historians and others commenting on the January 30 anniversary are clearly aware that neither economic nor social nor constitutional reasons alone account for the rise of Nazism. They therefore suggest that the explanation lies in a uniquely disastrous accumulation of factors—trickles which became an avalanche. No doubt there is a lot in that—but it does not help much to make the phenomenon of Hitler and the Third Reich fathomable. Indeed, the more information on the period emerges, the less clear the picture seems to become—like a mosaic viewed from close at hand. That makes things very hard for Germans—and others—who are now burrowing into the past for warnings and lessons.

That said, two elements at least do emerge more sharply than before from the current flood of information. One is the breathtaking speed with which events moved once Hitler headed the government. Though many West Germans talk about Hitler's "Machtergreifung" (seizure of power) on January 30 1933, that is not strictly accurate. Hitler came to power constitutionally through the appointment of President Hindenburg and with the support of non-Nazi elements who thought they could "tame" him (but were, themselves, promptly "tamed"). Within a month came the burning of the Reichstag with the blame pinned by the Nazis on the Communists, within two months the first concentration camp had been opened (at Dachau near Munich), within four months the books of banned authors were being burned in the streets. By January 30 1934 the Nazis—who had gained 44.1 per cent of the national vote in elections the previous March—were the only political party permitted. The powers of the provincial states had been removed, and independent trade unions abolished.

Like the change in that audience described at the start, the transformation of the country in so short a space of time is hard to grasp even now—after five decades to gain perspective. How much harder must it have seemed for the great majority of those who lived through it—who permitted it to happen and who yet must have felt overwhelmed by events.

Further the unemployment level which stood at about 6m in early 1933 had dropped to 3.7m a year after Hitler came to power. To a lot of people it must have seemed that Hitler had an answer when so many before him had had none. Is it wholly unreasonable to see a warning here not specifically for the Germans but for all Western democracies, however long and proud their traditions?

The second element to emerge might seem to some people more peripheral—but it has importance for the Federal Republic. This is the enormous cultural loss the Germans suffered—worse, allowed themselves to suffer. The Nazis, who sought to extinguish the Jews and master the world, methodically put out almost every light in German art, music and literature.

A recent West German radio programme produced a survey of those in cultural life who had perished or gone into exile, from Bertholt Brecht and Fritz Busch, through Otto Klemperer and Thomas Mann to Bruno Walter. The catalogue, interspersed with some interviews and biographical details, lasted an hour and a half—a roll call of all that was best in the Germans.

"God help our darkened and desecrated country," wrote Mann after being stripped of his honorary doctorate by Bonn University "and teach it to make its peace with the world and with itself."

The Federal Republic, under a series of enlightened leaders and in circumstances of great initial hardship, has gone very far to make Germany's peace with the world. Looking back, it seems fair to speak not so much of an "economic miracle" as a "political and social miracle"—that a democratic state could emerge and prosper in such unpromising circumstances. But West Germany seems very far from at peace with itself. It feels insecure and unstable—despite its obvious material successes. And one big reason is that with Hitler the Germans lost their cultural identity—some would prefer to say their soul—and have yet to regain it.

Weekend Brief

The row at the Berlin Philharmonic

When Herbert von Karajan and the Berlin Philharmonic perform this evening, the audience will be as intent on whether the maestro beckons his orchestra to stand for the applause as on his tempo in conducting Beethoven's Piano Concerto, No. 4, and Saint-Saens' Symphony No. 3.

Herbert von Karajan: curbed orchestra's lucrative subsidiary activities

The reason, of course, is the monumental row between the musicians and 74-year-old von Karajan, who has led them for 28 years about his appointment of a new clarinettist. At their last concert, the atmosphere between the two was tense. In early December, Herr von Karajan sent the orchestra notice he was "suspending" all but the eight annual concerts he is obliged to conduct under his contract. This meant no more lucrative recordings, film and television specials, or appearances at the Salzburg and Lucerne festivals.

The players' response was to say that they would not relinquish their right to veto new appointments to the orchestra.

Differences over the musical merits of a woman were the reasons for what one German magazine called a "blow to the bank accounts" of the musicians. The orchestra refused to go along with their conductor's wish that 23-year-old Frau Zabine Meyer, a clarinettist with the Bavarian Radio Symphony Orchestra, should become the second woman to play with the Berlin Philharmonic, which is marking its 100th anniversary. The orchestra denied it was in any way opposed to female musicians.

The Berlin Philharmonic's by-laws stipulate that new members of the orchestra may be appointed only after two-thirds of the musicians approve, following a trial period. Herr von Karajan chose Frau Meyer to begin playing during the orchestra's triumphal tour of the United States last autumn. But on her return, the attractive blonde was given the thumbs-down by her fellow musicians, who claimed she was an inspired soloist but that her playing did not merge with that of the other clarinettists.

In spite of this discord, the Philharmonie's director, Dr Peter Girth, gave Frau Meyer a contract for a one-year trial period. He noted the orchestra only had the right to reject her after the completion of this period, and said he was acting with Herr von Karajan's full support. The musicians responded by calling for Dr Girth's head.

West Berlin's House of Representatives has even debated the row, which is seen as an unseemly blotch on the cultural reputation of this highly sensitive city. The Christian Democrat official in charge of cultural affairs was accused of not taking adequate care of the city's "cultural jewel." A rare note of humour in the debate was injected by the representative of a party of the extreme Left, who said: "*In dubio pro femina.*" Mediators tried to arrange a reconciliation meeting between the miffed orchestra and Herr von Karajan before this weekend's performances.

Dolls creep up on electronic games

Toy traders visiting the British Toy and Hobby Fair, which opens in London's Earls Court exhibition centre this morning, will be showing more than a passing interest in the toy dolls that are on show.

The reason is simply that, after some years of static sales, demand for baby dolls has suddenly surged ahead. Bill Dowle, toy buyer for the British Home Store chain, says that "there was an incredible growth in demand for dolls last Christmas." In particular, BHS repeatedly sold out of stocks of a 2 ft high doll that looks exactly like a newborn baby and retailed at almost £17.

This very realistic doll had nevertheless already swept the board in several European countries last year—especially Spain, Italy, and Germany—but caught many UK retailers by surprise in the run up to last Christmas. One Spanish manufacturer alone exported over 200,000 of these dolls into the UK for Christmas.

In total, the doll's market (including accessories) enjoyed its best-ever year in 1982, with sales reaching some £94m at retail prices—an increase of 10 per cent in 1981 at a time when many traditional toys were struggling to survive against the impact from the electronic toys and games boom last Christmas. Dolls now rank second only to electronic games in a toy market worth some £700m last year.

This upsurge may be partly due to the birth of Prince William last summer, although some toy traders remain unconvinced that this is the main reason. Instead, they believe that the trend towards a resurgence in the popularity of traditional dolls was on the cards because of a reaction against the Women's Lib movement of the 1970s. "Maybe little girls also want to escape into a fantasy world where their families' problems are for- ... managing director of the Mattel toy company.

Another reason is the heavy advertising support given by both Mattel, with its "Barbie" doll, and Pedigree with its "Sindy" range. These dolls are part of the fashion-doll sub-sector of the market which is showing the most growth. Some £1.3m of advertising on television was spent by the two major manufacturers last year.

According to Mattel, the total fashion-doll sector is worth some £35m—of which £19m came from sales of dolls, with £12m from accessories, and £4m from sales of costumes. By 1985, Mattel expects about half of all doll sales will be of these fashion dolls.

The significance of this sector is that girls not only buy a doll but are persuaded to spend money all year round on the accessories and costumes. "Fashion dolls appeal to a wide age range—girls between the ages of four and 12—which is around 3m girls," says Coulter. "Because the dolls lend themselves to frequent up-dating, there's no chance of them losing popularity by becoming old-fashioned."

Toy retailers at today's trade show (which is not open to the general public) will undoubtedly be hoping that the boom in dolls sales continues for next Christmas. This is because many traditional toy shops have lost out from the growth of sales of electronic toys and games, many of which are bought from retailers—such as hi-fi shops—who do not specialise in toys.

Uneasy riders and the 'L' Test

There are 1.4m motorcyclists on the UK's roads. Well, until Tuesday that is.

Then, were all motorcyclists to be scrupulously law-abiding citizens, the numbers should drop at a stroke by 40,000.

That is the rough industry estimate of how many riders—most of them youngsters—will immediately place themselves outside the law if they continue to ride their 250cc machines while still learners.

From February 1, learners are confined to machines of a maximum capacity of 125 cc until such time as they get their pink slip from the riding ...

It is likely that police forces throughout the country initially—for just a few days—will confine themselves to issuing warnings to any offending, and doubtless uneasy, riders. But thereafter, in the opinion of the industry and Government-backed National Motorcycling Training Scheme, a "massive" police crackdown can be expected.

There are few options open to the thousands of riders who have either ignored the 18 months' warning of the new legislation, or who have failed their tests in the meantime. They must either sell their existing bikes and buy a 125 cc which is restricted to 12 brake horsepower or less; or garage their machine and borrow a legal bike for the test.

When the Department of Transport announced in 1981 its plans for a wide-ranging package of measures aimed at tightening motorcycle legislation, in an attempt to cut the casualty rate, a fairly predictable howl of anguish went up from the trade. The 125cc rule, it was clear, would be likely to produce a stockpile of unsold new and used 250cc machines.

So it proved. But it was appeals to the junior transport minister, Mrs Lynda Chalker, on the grounds of test waiting periods and the need for a bigger training effort which apparently led to the original "125 rule" introduction date of October 1 last year being postponed for six months.

So Tuesday's bus-bound bikers cannot say they were not well warned, even if, as a spokesman for the national training scheme points out, the DoT hasn't thrown quite the resources into advertising the new bike legislation as it has into the compulsory seat-belt law which comes into force on Monday.

But even for thoes who dash out and swap their 250s for 125s, the days of being a perpetual student on L-plates are over for another part of the legislation is that if the new two part test introduced last year is not passed within two years, an automatic one-year ban will follow.

The result should be the tumbling of thousands of young motorcyclists into the training schemes' net; and many a sigh of relief by parents.

Contributors
Leslie Colitt
David Churchill

Economic Diary

TODAY: British Toy and Hobby Fair opens at Earls Court (until February 2). London Assembly holds conference on London's "cash crisis" at Friends House, Euston Road.

TOMORROW: Mr George Bush, the U.S. Vice President, starts European tour. Texaco withdraws its price support subsidies. Mr George Shultz, U.S. Secretary of State, begins nine-day East Asian tour.

MONDAY: Full details of the U.S. budget proposals published. Wearing of seat belts becomes compulsory. Department of Industry makes statement on world communications at the Institute of Electrical Engineers, Savoy Place. UN Secretary General Perez de Cuellar begins two week tour of African countries. Polish Sejm meeting (until February 1). Strike planned by South East lorry drivers. Deadline for approval for the rationalisation scheme for foundry companies. Consultative meeting of the Accountant Standards Committee to discuss the relationship between accounting standards and their impact on small businesses. Commons debates the fishing industry.

TUESDAY: Publication of the 1983 Public Expenditure White Paper. CBI industrial trends survey for January. Department of Trade gives figures for overseas travel and tourism during November. EEC internal market council meeting in Brussels. Start of TV-am, commercial television's breakfast broadcasting. Consultative meeting between U.S. energy and Canadian officials on natural gas supplies and prices in Toronto.

WEDNESDAY: The Treasury issues the UK official reserves figures for January. The Bank of England gives statistics for capital issues and redemptions (during the month of January). The Department of Energy publishes the advance energy statistics for December.

THURSDAY: Department of Employment issues provisional figures for unemployment and unfilled vacancies in January. Power workers meet on pay. Association of Metropolitan Authorities hold quarterly meeting. Commons debates an opposition motion on the report of the Serpell Committee on Railway Finances.

FRIDAY: Mrs Margaret Thatcher meets German Chancellor Dr Helmut Kohl at Chequers. Private member's bill on Sunday trading has its second reading in the Commons. Ford in talks with unions on the company's lay-off arrangements.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	%	Others
Abbey National	6.00	6.25	7.50	7.25	1-year high option, 7.25 6 years sixty plus, 6.75 min. £100, 7 days' notice no interest lost
Aid to Thrift	7.00	7.25	—	—	
Alliance	6.00	6.25	7.75	7.25	3 years Money Monthly £1,000 min. Interest paid monthly
Anglia	6.00	6.25	7.50	7.25	3 yrs., 2 mths.' withdrwl. notice
Birmingham and Bridgwater	6.00	6.25	7.75	7.25	Extra Interest Shares
Bradford and Bingley	5.75	6.25	7.25	7.00	1 m. not. or on dem. (int. pen.)
				7.25	High I. a/c 3 m. not. (no pen.)
Britannia	6.00	6.25	7.25	7.25	Option Bond, 7.25 2 mths.' not.
Cardiff	6.00	7.00	7.75	—	
Cardiff	—	*7.50	—	—	* Share a/c bal. £10,000 & over
Catholic	6.00	6.50	7.50	7.50	6 months' deposit, £500 min.
Century (Edinburgh)	6.50	7.00	—	8.50	2-4 years
Chelsea	6.00	6.25	7.50	7.70	3 yrs., £1,000 min. 90 days' pen.
Cheltenham and Gloucester	6.00	6.25	7.25	—	
Cheltenham and Gloucester	—	7.25	—	—	Gold Account—savings of £1,000 or more. No notice—no penalty
Citizens Regency	6.00	6.50	8.00	7.50	3 yrs. Double Option shs. 7.40
City of London (The)	6.25	6.60	7.50	7.50	Capital City shs. 4 mths.' notice
Coventry Economic	6.00	6.25	7.50	7.75	4 yrs., 7.50 3 yrs., 7.25 3 mths.
Derbyshire	6.00	6.25	7.50	6.75-7.35	(3 months' notice)
Greenwich	6.00	6.50	7.75	7.75	2 yrs., 7.50 28-day pen./notice
Guardian	6.00	6.50	—	8.25	6 mth., 7.75 3 mth., £1,000 min.
Halifax	6.00	6.25	7.25	7.25	Extra Interest Plus, 3 months' wdl. notice or loss of interest
Heart of England	6.00	6.25	7.50	7.00	1 mth. not., 7.25 flexi tm. 3 yr.
Hemel Hempstead	6.00	6.25	7.50	7.75	3 yrs., 7.50 3 months
Hendon	6.50	7.25	—	8.00	6 months, 7.75 3 months
Lambeth	6.00	6.50	7.75	8.00	6 mths., 7.75 28 days, 7.25 3 m.
Leamington Spa	6.10	6.35	6.60	—	
Leeds and Holbeck	6.00	6.25	8.00	8.25	5 yrs., 7.25 1 month int. pen.
Leeds Permanent	6.00	6.25	7.25	7.25	3 yrs., E.I. a/c £500 min. 7.00
Leicester	6.00	6.25	7.25	7.25	3 yrs., 7.25 3 months
London Grosvenor	6.00	6.60	8.50	7.10	3 mths.' notice 1 mth. int. pen.
London Permanent	6.00	6.75	—	7.50	1 m. not. or on dem. (int. pen.)
Midshires	6.00	6.25	7.50	7.25	1 year, 3 months' notice no pen.
Mornington	6.80	7.30	—	—	
National Counties	6.25	6.55	7.55	8.00	28 days, 8.25 6 mths., £500 min.
National and Provincial	6.00	6.25	7.25	7.25	3 years, 7.00 1 month
Nationwide	6.00	6.25	7.25	7.25	3 yrs., £500 min. imm. wdl. with penalty. Bonus a/c 7.00 £500 min. imm. wdl. with penalty
Newcastle	6.00	6.25	7.50	7.75	4 yrs., 7.25 28 days' notice, or on demand 28 days' int. penalty
New Cross	6.75	7.00	—	7.00-8.00	on share accs., depending on min. balance over 6 months
Northern Rock	6.00	6.25	7.25	7.25	High Interest share. 7.25 3 yrs.
Norwich	6.00	6.25	7.50	7.25	3 yrs., 7.00 2 yrs.
Paddington	5.75	6.75	8.25	7.25	7 days' notice
Peckham	6.75	7.00	—	7.50	2 y., 8.00 3 y., 8.50 4 y., 7.25 Bns.
Portsmouth	6.35	6.55	8.05	8.40	5 yrs., 8.00 6 mths., 7.50 1 mth.
Property Owners	6.25	6.75	8.25	8.25	4 yrs., 8.25 6 mths., 7.75 3 mths.
Scarborough	6.00	6.25	7.50	7.25	Retirement Bonds (2nd issue), 7.25 Money Care + free life ins.
Skipton	6.00	6.25	7.50	7.00-7.15	(1 mth.), 7.25 3 yrs.
Sussex Mutual	6.25	6.50	8.00	6.75-8.00	
Town and Country	6.00	6.25	7.50	7.50	3 yrs., 60 days' wdl. notice
				7.50	imm. wdl. 28 days' interest loss
Wessex	6.25	7.30	—	—	
Woolwich	6.00	6.25	7.25	7.25	90 days (int. loss), 7.00 immed. wdl. 28 days' interest loss
Yorkshire formerly Huddersfield & Bradford and West Yorkshire	6.00	6.25	7.25	7.25	5 Star Bond min. £500, 2 mths. not. with pen., 7.25 Golden key imm. wdl. 28 days' pen. interest

All these rates are after basic rate tax liability has been settled on behalf of the investor.

This table is published each Saturday. Societies wishing to be included should ring 01-248 8000 Ext. 4063 for further details.

John Brown sees £9m loss: passing interim dividend

A TURNROUND from profits of £14.2m to a loss of some £9m is expected by the engineering, machine tool and construction group John Brown for the year ending March 31 1983. The directors are passing the interim dividend.

For the half year to September 30 1982—the first time ever that figures have been issued for an interim period—the group incurred a loss of £9.4m, compared to a profit of £1.2m. Sir John Mayhew-Sanders, the chairman, says it is normal for earnings to be better in the second half and the forecast of a £9m loss for the year does not indicate any improvement in trading conditions.

After tax £700,000 (£2.2m) and extraordinary charges of £16.9m (£5.1m), there is a net loss of £27m for the half year, compared with £6.1m in the corresponding period. Loss per share is given as 7.7p (1p). For the whole of 1981-82 the group made a profit of £14.2m. This was reduced to £700,000 after tax and extraordinary charges, and a dividend total of 4.25p was paid, including an interim of 1.75p.

For the full current year little change is expected to the extraordinary items at about £17m, the bulk of which relate to rationalisation in the industrial products sector and some £7m of which represent a cash loss.

Sir John says there will be a negative cash flow during the year but borrowings will remain very comfortably within banking facilities.

With virtually no exceptions all the group's main businesses continue to suffer from very severely depressed demand levels and Sir John cannot yet see any sign of an up-turn. Notwithstanding this sombre background, next financial year there should be no further material cash outflow nor any significant charges under extraordinary items—and the major problems on the Siberian gas pipeline contract have been resolved.

The directors are confident the group will emerge from this exceptionally hazardous period in a sound, competitive and strong commercial position, able promptly to take profitable advantage of the economic revival when it comes.

Sir John concludes: "Despite these difficult days John Brown is and will remain a major force in British engineering and a significant contributor to the country's drive for exports. We operate throughout the world engaged on numerous major capital projects and selling sophisticated machinery and equipment. Turnover, even in this bad year, will be in excess of £600m."

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
John Brown ......int.	Nil	—	1.75	—	4.25
Centreway Inds. ......int.	5	April 7	1	—§	5
Haynes Publishing ...int.	3.5	April 29	3	—	9.25
Stewart Plastics ......int.	0.66	March 24	0.6*	—	1.74*
Wholesale Fittings ...int.	1.33	April 8	1.21	—	4.54

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. § Final of 5p forecast.

Haynes well ahead and set to maintain growth in second half

A STRONG first-half profit performance is reported by Haynes Publishing Group, which forecasts maintenance of this trend for the remainder of the current year and is increasing its net interim dividend from 3p to 3.5p.

For the six months to November 30, 1982 this specialist in motoring books and manuals saw an improvement in pre-tax outcome from £316,000 to £503,000 and the directors point out that the second half of the company's trading year is traditionally better than the first.

They report that the group is enjoying the advantages of a weak pound and strong dollar, saying that, if the exchange rate remains at around $1.6 or lower and sales continue as strongly in the fourth quarter as they have so far in the third, they are confident that the company will finish the 12 months with a result better than last year's £926,000. On this a total dividend of 9.25p was paid.

UK turnover at midterm showed an 8.13 per cent increase from £2.09m to £2.26m, while that in the U.S. jumped 31.65 per cent from £733,000 to £965,000. Total trading profits rose 57.23 per cent from £311,000 to £489,000, with the UK contributing £353,000 (£236,000) and the U.S. £136,000 (£75,000).

Interest received added a further £16,000 (£7,000) and that payable was unchanged at £2,000. Tax absorbed £273,000 (£131,000), leaving the net balance 24.32 per cent higher at £230,000 (£185,000) and earnings per 20p share ahead from 3.7p to 4.6p.

The group continued its publishing advance during the half year with the introduction of 41 new titles and 21 new editions. The directors also say the motoring magazine "Automobile Sport," launched in November, has met with good response from readers. Launch and origination costs of this have been written off as incurred.

Increased sales in North America reflect the continued generation of new titles for the U.S. market, and the directors believe this improvement will continue. With the introduction of new car and motorcycle models in the UK and U.S., they say they see no slackening in new title publication, anticipating that by May 31, 1983 some 120 new titles and second editions will have been published during the year.

Planning permission has been received for a further 16,000 sq ft warehouse at the company's Sparkford site, and the creation of 3,000 sq ft of office accommodation on the first floor has freed an area on the ground floor in which it is intended installing book binding equipment.

● comment

Haynes Publishing is at last getting the sort of profits growth in the States to which its lofty rating has aspired, although a quarter of the increase was directly attributable to a more favourable conversion rate. Haynes believes that eventually it must get the great majority of its profits from the U.S., but paradoxically is on the lookout for UK acquisitions. Haynes has net cash of about £300,000 to play with, but paper should not be ruled out. Currently the company claims to have a near 70 per cent of the UK motor manual market, and this figure could be increased to as much as 85 per cent if Haynes is successful in current negotiations for contracts. For the year as a whole Haynes should make about £1.1m. Sounds familiar? That was the top end of the range of profits forecast by the company when it came to the market at the end of 1979. That estimate was based on getting sales of £5.45m, whereas this year's turnover is likely to exceed £6½m. On the results the thinly traded shares were marked up 15p to 185p, indicating a prospective PE of over 17, and a yield (to all but Mr and Mrs Haynes) of 8½ per cent.

Centreway higher and interim lifted to 5p

WITH MID-YEAR profits showing a significant improvement and prospects favourable for the second six months, Centreway Industries, the Midlands-based industrial holding company, is lifting its interim dividend from 1p to 5p net per share.

At the same time, the company is forecasting a final payment of 5p, against 4p last time, so long as current trading conditions are maintained. In addition, proposals are announced to split the existing 50p ordinary shares into five ordinary shares of 10p each.

For the six months to September 30, 1982, the company, which is a subsidiary of Centreway Trust, increased pre-tax profits from £38,000 to £173,000, on turnover of £11.02m, compared with £9.16m. The results included those of Servis Holdings, in which it has a 50 per cent interest, from the effective date of acquisition on July 22, 1982.

The directors say prospects for the second half are good, with Servis benefiting particularly from the strong demand for white goods in the period to Christmas, 1982.

For the year to March 31, 1982, the company swung back from a loss of £71,397 to a pre-tax profit of £311,534.

In the first six months of the current year, the company doubled trading profits from £170,000 to £345,000.

Investment income increased from £1,000 to £36,000 and the share of associate's profits this time was £77,000. However, debits for central group items and adjustments were higher at £74,000 (£30,000) and interest charges rose from £103,000 to £211,000.

Including a tax credit of £10,000 (nil), representing credits received on UK dividends, the net surplus was £163,000, compared with £38,000. There is no corporation tax charge for the period since the directors believe that on an annualised basis there will be no such liability due.

Stated earnings per 50p share, based on the actual tax charge, were 5.28p (1.8p losses).

Attributable earnings however were down from £85,000 to £34,000, after taking into account this time extraordinary debits of £129,000.

With dividend costs increasing from £88,000 to £158,000, the company was left with a larger deficit of £124,00, compared with £3,000.

Centreway Trust made a pretax profit of £100,000 for the six months to end September, compared with a £19,000 loss last time, and second-half prospects are encouraging. For the previous full year, a £147,000 profit was recorded.

First-half turnover improved from £9.15m to £11.93m. Tax charge increased from £12,000 to £29,000, but after deducting minorities of £122,000 (£91,000) and extraordinary items of £96,000 (adding £50,000), the attributable deficit was up from £72,000 to £147,000.

Stated deficit per 50p share was however lower at 17.52p, against 27.1p. There is again no interim dividend—last year's single payment was 1p net. Net tangible assets per share at the half year were 148.14p (167.3p at March 31, 1982).

The ultimate holding company is Centreway Group.

Eldridge leaves Milford Docks

By David Dodwell

Mr Richard Eldridge, formerly of Slater, Walker, resigned yesterday from the board of Milford Docks, bringing to an end a three-year involvement with the loss-making South Wales company.

Also resigning is Mr Laurence Hill, who is chairman of Mercantoil—a company controlled by Mr Eldridge. Mr Hill only joined the board last September.

Neither Mr Eldridge nor Mr Hill was available yesterday to explain their resignation. A brief Stock Exchange announcement said they were concentrating on the business of their own company.

Mr Charles Smith, chairman of Milford, said yesterday that Mr Eldridge and Mr Hill had left the company on the best of terms.

"Over the past months, they have come to us with a number of plans for the docks, and for one reason or another, none of them seemed practicable," Mr Smith said.

Mr Eldridge became well known as head of the Slater Walker subsidiary Eldridge Stableford. The company crashed in the mid-1970s with the rest of the Slater Walker empire. His interest in Milford Docks was first recorded late in 1979, when he pressed for a special meeting of the company to seek board representation. His holding is about 25 per cent.

Mercantoil leases and operates a variety of computer-based and electronic equipment for the offshore oil industry. It is at present a private company. Hill Woolgar organised a placing of 100,000 Mercantoil shares in March last year.

At present, the dry docks at Milford Haven are under threat of closure, with the management in dispute with the workforce. Meetings are expected next week, after which the docks are threatened with closure unless agreement is reached.

Management changes at Brotherhood

Peter Brotherhood, the loss-making machinery and power plant group, yesterday formally signalled its retrenchment after a long, aggressive, pursuit of growth in new markets with a series of management changes which moved the finance director, Mr Philip Salisbury, to the post of managing director.

He replaces Mr Geoffrey Crawford, appointed in the autumn of 1979 and the architect of Brotherhood's expansion programme. Mr Crawford left the Peterborough-based group last October but his resignation was formally ratified at a board meeting yesterday.

Mr Eric Frye has retired from his non-executive directorship and Mr Keith Williams, promoted last March as manufacturing director, has resigned to take up a post elsewhere.

Mr Salisbury explained yesterday that Mr Crawford had "genuinely felt that somebody else could do a better job in the circumstances."

He added that the board had recognised that the group "has had to take action to set our stall out for other targets than for growth." Brotherhood lost £642,000 before tax in the six months to September 30 last on turnover of £5.5m and warned that losses would continue in the second half. There had been some improvement, Mr Salisbury said, and substantial orders are in the process of completion. The rate of future order intake, however, still looks poor.

No compensation terms have been discussed with Mr Crawford although it is understood that his service contract still had some time to run.

Progress for Wholesale Fittings

TRADING conditions are still difficult for Wholesale Fittings, reports the chairman Mr D. S. Rose. But with the opening of new branches he is confident that the company will continue to make progress.

The company, which is engaged in wholesale electrical distribution, opened two new depots in Milton Keynes and Stevenage, bringing the total up to 22 and enabling it to trade in new areas.

In the half year ended October 29 1982 sales have moved up from £13m to £14.77m and profit before tax from £1.38m to £1.62m. Earnings are shown at 5.5p, against 4.7p, and the interim dividend is lifted to 1.33p net (1.21p).

For the full year ended April 30 1982 profit before tax came to £3.47m and the dividend total was 4.54p.

● comment

After two relatively static years Wholesale Fittings has rediscovered a growth curve. Half time profits are up by nearly 17 per cent pre-tax on a sales rise of under 14 per cent. The chairman had paved the way for a reasonable interim result at the last annual meeting, so the shares held steady at 310p yesterday having come up from 250p when the preliminary announcement was pushed out last August. A spread of sales makes it difficult to assess the real growth areas by product but the company is pushing forward with its programme of new outlets and that should underpin progress for the full year despite tough trading conditions. WF is battling its way through a very difficult trading period with a fair amount of style which is amply reflected in a yield of around 2 per cent.

W. G. Allen cuts loss to £0.2m

For the half year ended September 30 1982 engineer W. G. Allen and Sons (Tipton) has increased its sales from £3.04m to £3.21m and cut its loss from £311,000 to £205,000. In his statement last September the chairman, Mr T. C. Frankland, had forecast a lower rate of loss.

The group incurred a loss in the December quarter but it will trade profitably in the last quarter, says Mr Frankland. There are no signs of any improvement in the level of demand in the UK: export orders

Decrease at Stewart Plastics

Taxable profits of Stewart Plastics dropped from £1.49m to £1.3m for the six months to October 31, 1982, but against a background of difficult trading conditions, the board considers the results to be good.

The net interim dividend is effectively being raised by 10 per cent from 0.5995p to 0.6594p per 25p share—last year's payments totalled 1.736025p after adjusting for the one-for-three scrip issue, and pre-tax profits came to £2.93m (£2.56m).

Turnover for the first half of the current year decreased from £4.54m to £4.38m. Sales of the company's houseware and gardening products remained constant, but the severe industrial recession has adversely affected the industrial division turnover.

Trading profits decreased from £1.18m to £964,862, before including £6,516 (£698) profits on disposal of fixed assets and interest receivable of £326,289 (£304,984).

Tax charge was £660,000, against £675,000, and after deducting the cost of issuing shares of £5,291 (£4,713), attributable profits were down from £805,810 to £632,376.

The interim dividend costs £124,580 (£111,064) after waivers of £25,339 (£25,230), leaving a retained balance of £507,796.

BCA GROUP

The necessary ordinary resolution to effect the acquisition by the British Car Auction Group of the fixed assets, property, buildings and goodwill comprising the business of Aptco Auto Auction Inc, was passed at the Extraordinary General Meeting.

Vantona threatens to call off CV merger

BY CHARLES BATCHELOR

Vantona, the Manchester-based textiles group, threatened last night to call off its proposed £16m merger with Carrington Viyella (CV) unless it gains acceptances from holders of at least 30 per cent of the equity.

"It would be difficult for us to impleent the deal if we do not have 90 per cent support," said Mr Davoud Alliance, chief executive of Vantona.

Vantona and its bankers are known to be absolutely opposed to carrying out the capital restructuring which is needed at CV unless they can mop up all the outstanding shares.

Vantona was forced to extend the period of the agreed offer for a second time this week with its shareholding stuck at 84.4 per cent. Until it gets 90 per cent it cannot push through the compulsory purchase of the remaining shares.

The main obstacle to the deal, which would create a company with annual turnover of £350m and a workforce of 20,000, is Mr Joe Hyman. Mr Hyman, who ran Viyella before it was merged with Carrington 12 years ago, has increased his holding in recent weeks to 6.53 per cent and remains opposed to the merger.

Vantona is unwilling to antagonise Mr Hyman, but privately senior company officials are highly critical of his stand. "I do not see how he is being loyal to the company," said one. "Mr Hyman is playing with many thousands of jobs."

"We will pull out if we do not get 90 per cent," he added. "We have to pull out. We cannot carry out the restructuring scheme with the banks nor can we merge our operations if we don't have 100 per cent."

Vantona is unwilling to commit its own £20m worth of assets to the merged group if there are still outside shareholders in CV. This would amount to giving these shareholders "something for nothing," Vantona said.

Vantona has no plans to increase the value of its offer, which was first announced on October 14.

The company also claims it would suffer no long-term damage from calling off the deal since it is currently working with full order books. It would, however, stand to lose advisory and other fees paid out during the merger preparations of several hundred thousand pounds.

The proposed link-up has provoked controversy over the prospect of Vantona, the smaller but more profitable of the two companies taking on CV, which is in the black but which has a heavy debt burden.

Vantona was also criticised for agreeing to a five-year service contract with Mr Bill Fieldhouse, the chairman of CV, which would have allowed him to treat a disagreement over policy or management issues as a repudiation of the agreement.

"It is easy to say 'It's Joe' but the true facts are different," said Mr Hyman last night. "Six thousand shareholders have not accepted. That is nothing to do with me.

"I feel we should develop Carrington Viyella as a separate group. Viyella had Carrington put on top of it and it is just digesting that. It is not proper to heap another company (Vantona) on top. That has led to management disarray and problems."

CV should carry out its capital restructuring as an independent company, Mr Hyman urged. He said he had not made any proposals of his own to the boards because he lacked the necessary figures.

Newcomer snatches control of R. Green

Throgmorton Trust, the £55m investment trust, comprehensively capped the contested £13.7m cash and equity bid for R. Green Properties from C. H. Beazer (Holdings) yesterday with a cash offer worth £16.47m, or 135p per share.

A loan stock alternative is to be made available on the basis of £1 nominal of 9 per cent guaranteed unsecured loan stock 1990 for every £1 of consideration.

Throgmorton was able to secure control when, with the irrevocable acceptances of the Green board, family and friends, the addition of its own stake of 11.3 per cent and its discretionary clients it disclosed a 45.4 per cent stake at the outset, which it later topped up to 50.17 per cent with the purchase of 575,000 shares at 132½p each in the market.

Beazer had increased its first offer of 97p to 112.3p, but had received only minimal acceptances. It had been contemplating a higher bid before the deadline next Monday for any improvement of its terms in the face of Green's recent revaluation to show assets of 157p per share.

Net worth would have been 140p per share, after deferred tax, Green calculated at the end of last week, and asset backing would have been 189p, 157p after tax, assuming its residential properties were completely let with vacant possession on a rack rental basis.

Green will continue as an autonomous entity under Throgmorton's stewardship. No major changes are expected in the nature of its business, Throgmorton said, or in the mode of its business.

Throgmorton aded that Green gave it an oportunity to make a direct long term investment in property and felt that Green's properties will offer above average capital and income appreciation.

The new bidder has been a long term holder of Green shares, but it is understood that it had not made any overtures until the end of last week when the results of Green's portfolio had been made known.

Newman £8m capital injection

BY DAVID DODWELL

Newman Industries, the debt-crippled fastenings, engineering and electric motor manufacturer, announced yesterday that it had reached agreement in principle on an £8m refinancing package.

When dealings in the company's shares were suspended in August last year, the company was understood to have debts of more than £30m, while shareholder funds had fallen below £10m. Mr Nigel McLean, Newman's chairman, said yesterday that this fresh injection of capital will eradicate the company's chronic debt problems.

The long delay in reaching agreement is understood to be due to the problems of marshalling the large number of institutions agreeing to provide funds. The lion's share of funds are to come from Finance for Industry and the United Kingdom Temperance and General Provident Institution.

Newman has been making losses for almost three years, and has not published figures beyond the end of June 1981. Along with full details of the refinancing package, the company says it will unveil its report and accounts for 1981.

A reduction in capital is expected. The nominal value of shares is 25p, but on suspension on August 9 last year, shares stood at 8p apiece. A number of board changes are also forecast.

Newman's leading shareholder is Cycle and Carriage based in Singapore. After injecting a badly neded £8m into the company in November 1980, it received equity and loan stock which, on conversion of the stock, gives it majority control wtih just over 50 per cent.

Mr McLean said yesterday: "Once the refinancing is complete and we have won financial relief, continuing businesses will look productive and healthy.

"In this still difficult economic climate, there will be problems that are ongoing, but there are no problems that cannot be handled. I don't think we would have attracted support for the refinancing if we had not felt that the company had a satisfactory future."

The transfer of the troubled ceramics businesses of Grindlays of Stoke, Barker Brothers and Cartwright and Edwards to a new holding company, Federated Potteries, has cut borrowings by £2.4m and has rid the company of a chronic loss maker.

Monopolies probe into Ibstock offers

BY CHARLES BATCHELOR

Redland's £34.7m bid for Leicestershire brick-maker Ibstock Johnsen and the £27.2m offer from London Brick which preceded it have both been referred to the Monopolies and Mergers Commission.

This move, which had been widely expected, knocked only 1p off the Ibstock share price yesterday to 97p to put a market value of £27.7m on the company.

The shares of Redland, the Reigate, Surrey building materials group, rose 3p to 238p while London Brick firmed 2p to 129p.

Both companies said they regretted the reference, which means their bids now automatically lapse, and said they would consider whether to renew their offers when the commission reported.

London Brick, which first announced its bid on December 15, said it had received acceptances from the holders of 4.35m Ibstock shares or 15.2 per cent of the total.

Redland, which entered the fray a month later, said it had received only a "trivial" level of acceptances in response to its offer. The short time for which the offer had been open and the threat of a referral were responsible for this low response, it said.

The commission has six months in which to make its report.

London Brick is the largest UK brick-maker with 39 per cent of the market compared with the 7 per cent held by Ibstock. Redland only has a 4 per cent market share but like Ibstock it makes the more expensive non-Fletton facing bricks and together the two companies would have an important share of this market.

"It could be eight months before we get clearance," said Mr Robert Napier, finance director of Redland. "We canot tie ourselves to what we will do in eight months' time."

Mr Michael Wright, managing director of London Brick, said the difference between the two types of brick was the main plank of the company's argument.

Arbuthnot Securities in unitisation move

Arbuthnot Securities, the unit trust management arm of Dow Scandia Holdings has emerged as the shareholder which is attempting to unitise two small investment trusts managed by Williams and Glyn's Bank.

Arbuthnot announced plans to requisition extraordinary general meetings of Atlanta, Baltimore and Chicago Regional Investment Trust and the West Coast and Texas Regional Investment Trust to consider its proposals.

The two trusts have rejected the Arbuthnot approach. If the proposals are carried out Arbuthnot North American and International Fund, which has £3m under management would issue units in exchange for the net assets of the ABC and WCT trusts.

Mr Richard Carswell, marketing director at Arbuthnot, said the company wanted to increase the size of funds it managed and trusts with assets in the U.S. were particularly attractive.

Arbuthnot has had indirect expressions of support for its plans from many institutions, he added. Arbuthnot has built up a holding of 12 per cent in ABC in recent months and an 11 per cent stake in WCT in the past few days.

"The decision to go for unitisation against the wishes of the two trusts' boards was the beginning of a new mood at Arbuthnot," Mr Carswell said.

Mr Robert Henbest, company secretary of the two trusts, which have combined net assets of £8m, said the directors were still considering their position in the light of the "sledgehammer" approach from Arbuthnot.

RELIANCE/RIT

Reliance Group Inc. has sold its entire holding of 5.62m ordinary shares in RIT and Northern. It has also disposed of 562,140 warrants to subscribe for ordinary shares and no longer has any beneficial interest in RIT.

STANDARD SECS.

Standard Securities has paid £2.53m cash to acquire from Trevor Estate and Harrods the freehold and head leasehold interests in a Knightsbridge garden square.

The properties comprise the whole of the east and west sides of Trevor Square, the garden within the square and some further properties in Lancelot Place.

MOUNT CHARLOTTE

Resolutions to approve the acquisition by Mount Charlotte of the three new hotels from Trusthouse Forte and to approve the increase in authorised share capital required in connection with the rights issue have been passed.

M. GILCHRIST

The joint receivers and managers of M. Gilchrist and Sons have sold almost all the trading assets and business undertakings to Mr Harvey Simmons, the previous sales manager, as a going concern.

Results due next week

Reed International has made a habit of upsetting outside profit forecasts, so for the three months to the beginning of January, analysts are hedging their bets about Tuesday's announcement, with estimates ranging from £12m to £17m pre-tax. In the comparable period Reed made £17.7m. The market's bearishness about Reed is not based on any criticism of management, but on the belief that the company is simply in mature businesses in cyclical decline. For the year as a whole UK paper making is thought likely to lose about £5m, while in the U.S. papermaking will be well down on last year's £23m. Packaging has seen markets deteriorate since April, and the UK consumer spending uplift is seen as far too much import-led to help Reed. Continued weakness in newsprint prices will have at least benefited publishing interests. The Daily Mirror will also have gained from an average cover price increase of 28 per cent over the year. But generally there is an oversupply of advertising space, as colour supplements have sprung up like dragon's teeth. For the full year, guesstimates range from £55m to £63m. Last time round Reed made £71.6m. Was it as recently as last July that forecasts of £100m were being taken seriously?

During the 1970s, Unitech was a glamorous growth stock. Apart from a slight hiccup in 1976, profits rose every year, sometimes by as much as 50 per cent. Then the company—even though it was involved in electrical component manufacture, which might have seemed a recipe for certain success—started to lose its spark. Profits have fallen each year since 1980, partly due to losses from its German subsidiary. This year, though, Unitech could well turn the corner. Results for the half-year to the end of November are due out on Tuesday and are expected to show pre-tax profits of anything between £2m and £2.7m, compared with £1.5m. Demand has firmed considerably since the same period last year, especially in power supplies. The German subsidiary should break even over the whole year and losses in the first half will almost certainly be reduced. Though interest charges may be slightly higher, contributions will be coming in for the first time from the new acquisition, Erie. The dividend should either be maintained or slightly increased.

Blundell-Permoglaze, whose full year results are due on Thursday has made a great success out of being a rung or two lower down the paints industry ladder than such well-known names as ICI or International Paint. Now, with the housebuilding and decorating business enjoying a powerful upturn, Blundell's second half should have had no difficulty measuring up to the forecasts from the chairman when announcing the £1.4m rights issue in July. Based on his predictions, the market expects pre-tax profits of £2.1m for the year which, after adjusting for the rights, indicates real growth of about 6.3 per cent. The bulk of profits—80 per cent or more—comes from sales of decorative paint to the building industry, with the fickle do-it-yourself sector taking only a very small share. Major customers like the timber-frame housing and wooden window and door frame industries, are riding high at present, so Blundell's short-term future seems assured. The German acquisition will have contributed nothing to profits yet but has significance for the current year. Also important for the future are prospects for the industrial division which claims a breakthrough in powder coatings for aluminium surfaces.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Allied Textile Companies	Monday	2.56364	4.42	2.82
Associated Fisheries	Tuesday	0.25	1.75	0.25
Blundell-Permoglaze Holdings	Thursday	1.8	4.0	1.8
Brooke Tool Engineering (Holdings)	Wednesday	0.75	—	—
Bullough	Monday	4.2	6.55	4.7
Fleming American Investment Trust	Wednesday	3.0	6.5	3.0
Haytors	Monday	7.5	8.625	1.875
IDC Group	Tuesday	1.33	4.236	1.464
Kellock Trust	Tuesday	—	0.187	—
Prestige Group	Tuesday	2.5	4.375	2.5
Pyke (Holdings)	Wednesday	—	—	—
Television South	Monday	—	—	—
Westminster Property Group	Wednesday	—	0.825	—
INTERIM DIVIDENDS				
Cowan de Groot	Tuesday	1.0	1.0	
English Association Group	Friday	0.90909	1.81818	

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
McKay Securities	Thursday	1.35	1.5	
Malaysia Rubber	Thursday	1.0	2.5	
Munton Brothers	Thursday	1.5	1.0	
Parkfield Foundries	Wednesday	0.35	0.525	
Peerless	Monday	2.1	4.2	
Ransom (William) and Son	Thursday	1.5	5.0	
Textured Jersey	Monday	1.75	2.25	
Unitech	Tuesday	1.4	2.45	
Vibroplant	Monday	5.25	9.275	
Wellman	Wednesday	1.8	1.75	
Zetters Group	Tuesday	0.85	1.9	
INTERIM FIGURES				
Christie-Tyler	Thursday			
Dura Mill	Friday			
Portsmouth & Sunderland Newspapers	Thursday†			
Reed International	Tuesday†			

LONDON TRADED OPTIONS

Option		Calls April	Calls July	Calls Oct.	Puts April	Puts July	Puts Oct.
BP (USP 516)	260	66	—	—	3	—	—
" "	280	46	—	—	7	—	—
" "	300	32	40	46	16	20	24
" "	330	15	20	32	34	40	44
" "	360	5	8	—	54	58	—
CGF (USP 524)	390	144	147	—	2	6	—
" "	420	114	117	—	5	8	—
" "	460	80	87	—	10	17	—
" "	500	50	65	75	25	34	40
" "	550	30	45	55	47	62	65
CTD (USP 76)	70	11	14	16	2	4	6
" "	80	4	7	9	5	8	11
" "	90	2	—	—	15	—	—
CUA (USP 145)	120	28	30	—	2	4	—
" "	130	19	23	—	4	6	—
" "	140	13	16	19	10	14	15
" "	160	6	8	10	22	24	26
GEC (USP 192)	180	25	30	35	6	8	10
" "	197	15	—	—	14	—	—
" "	200	10	20	25	24	19	20
" "	217	6	—	—	28	—	—
" "	220	—	12	—	—	32	—
" "	237	3	—	—	48	—	—
" "	240	—	7	—	—	53	—
" "	260	2	5	—	70	70	—
GMH (USP 337)	240	100	—	—	1	—	—
" "	260	80	—	—	1½	—	—
" "	280	60	68	—	2½	4	—
" "	300	40	49	—	5	7	—
" "	330	21	27	32	13	15	18
" "	360	10	17	22	29	34	38
ICI (USP 404)	260	148	—	—	2	—	—
" "	280	128	—	—	2	—	—
" "	300	108	114	—	2	3	—
" "	330	78	84	—	4	6	—
" "	360	50	54	60	8	14	18
" "	390	28	36	44	20	24	32
LS (USP 280)	240	46	—	—	3	—	—
" "	260	27	34	41	7	8	13
" "	280	15	21	30	18	17	20
" "	300	5	9	—	26	29	—
M & S (USP 208)	160	48	—	—	1½	—	—
" "	180	30	34	40	5	5	7
" "	200	16	22	28	9	11	16
" "	220	8	14	18	19	25	27
" "	240	3	6	—	39	42	—
SHL (USP 410)	360	56	—	—	—	—	—
" "	390	30	40	50	11	12	18
" "	420	16	26	32	26	32	38
" "	460	8	14	—	60	62	—

Option		Feb.	May	Aug.	Feb.	May	Aug.
BBL (USP 418)	350	—	—	—	2	—	—
" "	360	56	65	75	2	8	12
" "	385	—	—	—	3	—	—
" "	390	30	37	45	4	15	25
" "	420	10	20	32	15	28	38
IMP (USP 129)	90	41	42	—	0½	1	—
" "	100	31	32	—	0½	1	—
" "	110	21	22	25	1	2	5
" "	120	11	14	17	2	4	8
" "	130	5	8	12	6	9	10
LMO (USP 267)	280	9	30	37	20	24	32
" "	300	5	18	25	35	40	50
" "	330	2	11	17	65	70	70
" "	360	2	5	—	95	97	—
" "	390	2	3	—	125	125	—
LNR (USP 97)	60	39	—	—	0¾	—	—
" "	70	29	—	—	1	—	—
" "	80	19	20	22½	1	2	2½
" "	90	9	11½	13½	1	5	7
" "	100	3	6	6	5	11	13
P & O (USP 115)	100	17	22	25	1	3	5
" "	110	7	16	18	2	5	8
" "	120	4	9	13	6	9	15
" "	130	1	5	8½	16	18	23
" "	140	1	2½	—	26	27	—
" "	160	0½	1	—	45	46	—
RCL (USP 446)	390	60	—	—	1	—	—
" "	420	30	—	—	5	—	—
" "	460	10	30	40	27	30	32
" "	500	3	16	24	57	57	57
" "	550	2	8	15	107	107	107
" "	600	2	5	6	157	157	157
" "	650	1	2	—	207	207	—
RTZ (USP 524)	330	197	—	—	—	—	—
" "	360	167	—	—	1	—	—
" "	390	137	147	—	1	2	2
" "	420	107	117	117	1½	4	8
" "	460	67	77	83	2	9	16
" "	500	27	52	62	9	24	33
" "	550	5	30	37	32	47	52
VRF (USP$113)	40	2	—	—	0½	—	—
" "	45	2	—	—	0½	—	—
" "	50	63½	—	—	0½	1	—
" "	55	58½	—	—	0½	1	—
" "	60	53½	54	—	0½	1	—
" "	70	43½	44	44½	0½	1	—
" "	80	33½	34	34½	0½	1¼	—
" "	90	23½	24	25	0¾	2½	4¼
" "	100	15½	18	20½	1½	6½	8
" "	110	7	14½	17	4	10½	13
" "	120	3	10½	15½	11	17	19

Jan. 28 Total Contracts 2,540 Calls 1,988 Puts 552

BASE LENDING RATES

A.B.N. Bank	11 %	■ Hambros Bank	11 %
Allied Irish Bank	11 %	Hargrave Secs. Ltd.	11 %
Amro Bank	11 %	Heritable & Gen. Trust	11 %
Henry Ansbacher	11 %	■ Hill Samuel	§11 %
Arbuthnot Latham	11 %	C. Hoare & Co.	†11 %
Armco Trust Ltd.	11 %	Hongkong & Shanghai	11 %
Associates Cap. Corp.	11 %	Kingsnorth Trust Ltd.	12 %
Banco de Bilbao	11 %	Knowsley & Co. Ltd.	11½%
Bank Hapoalim BM	11 %	Lloyds Bank	11 %
BCCI	11 %	Mallinhall Limited	11 %
Bank of Ireland	11 %	Edward Manson & Co.	12 %
Bank Leumi (UK) plc	11 %	Midland Bank	11 %
Bank of Cyprus	11 %	■ Morgan Grenfell	11 %
Bank Street Sec. Ltd.	10½%	National Westminster	11 %
Banque Belge Ltd.	11 %	Norwich Gen. Tst.	11 %
Banque du Rhone	12 %	P. S. Refson & Co.	11 %
Barclays Bank	11 %	Royal Trust Co. Canada	11 %
Beneficial Trust Ltd.	12 %	Roxburghe Guarantee	11½%
Bremar Holdings Ltd.	12 %	Slavenburg's Bank	11 %
Brit. Bank of Mid. East	11 %	Standard Chartered	‖11 %
■ Brown Shipley	11 %	Trade Dev. Bank	11 %
Canada Perm't Trust	11½%	Trustee Savings Bank	11 %
Castle Court Trust Ltd.	11½%	TCB	11 %
Cayzer Ltd.	11 %	United Bank of Kuwait	11 %
Cedar Holdings	11 %	Volkskas Intl. Ltd.	11 %
■ Charterhouse Japhet	11 %	Westpac Banking Corp.	11 %
Choulartons	11½%	Whiteaway Laidlaw	11½%
Citibank Savings	¶ 9 %	Williams & Glyn's	11 %
Clydesdale Bank	11 %	Wintrust Secs. Ltd.	11 %
C. E. Coates	12 %	Yorkshire Bank	11 %
Comm. Bk of N. East	11 %		
Consolidated Credits	11 %		
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	12½%		
Robert Fraser	12 %		
Grindlays Bank	‡11 %		
■ Guinness Mahon	11 %		
Gulf G'tee Trust Ltd.	12 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 8%, 1-month 8.25%. Short-term £8,000/12-months 10.6%.

† 7-day deposits on sums of: under £10,000 8%, £10,000 up to £50,000 8½%, £50,000 and over 9½%.

‡ Call deposits £1,000 and over 8%.

‖ 21-day deposits over £1,000 9%.

§ Demand deposits 8%.

¶ Mortgage base rate.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Blue Circle Industries made a £26.3m agreed bid for Cardiff-based *Aberthaw Cement, the smallest of the big four producers.* BCI, which already owns a 26 per cent stake in Aberthaw, is offering either eight of its own shares for every five Aberthaw *or one BCI and 240p cash for each Aberthaw. The takeover would* create a group with around 60 per cent of the UK cement market and there is a strong possibility of a Monopolies Commission *reference. The Stock Exchange has begun a preliminary inquiry* into last Tuesday's movements in Aberthaw's shares which rose 45p prior to reports of a bid approach and, following the *announcement, closed 240 higher on the day at 615p. Fears that* the bid could lead to a Monopolies Commission reference cut the Aberthaw share price to 540p on Wednesday, but by yesterday *it had rebounded to 590p.*

Following an approach to its major shareholder Fenton Hill for its 76.2 per cent controlling interest in the company, Bellair Cosmetics rose from 38p to touch 68p before settling a net 30 up on the week at 56p. Should Fenton Hill decide to sell its holding, a general offer for the company's shares would automatically follow under Takeover Panel rules.

On Wednesday, dealings in Associated Tooling Industries were temporarily suspended at 100½p. An outline agreement was subsequently announced for the acquisition of Fonadek International and North Wales Trust from companies controlled by Mr Ronald Shuck. The purchase price is to be satisfied by the issue of shares in ATI which would result in Mr Shuck's companies owning 58.5 per cent of the enlarged share capital of ATI.

British Dredging sold its 50 per cent stake in British Dredging (Sand and Gravel) and its interests in Metro-Greenham Aggregates and Citadel Wharf to RMC for £1.6m. The sale proceeds and cash owing by Sand and Gravel to British Dredging will raise about £3.25m, allowing British Dredging to eliminate its bank borrowings.

Beecham is buying DAP, Ohio-based specialist DIY group, for £46m cash. The move will significantly expand Beecham's activities in the home improvement market and push its sales in the U.S. to around $500m a year.

Linfood acquired Manchester-based Bid Dee Supermarkets from Mr Frank Rigby Dee for £1.25m.

Berisfords, the ribbon manufacturer, is acquiring Rexmore's British Trimmings narrow fabrics division in a cash and share deal worth £3.85m. The deal will give Rexmore 26 per cent of the enlarged Berisford equity which it intends to retain as a long-term investment.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
	Prices in pence unless otherwise indicated.				
Aberthaw Cement	678§	590	420	19.49	Blue Circle
Carringtn Viyella	8‡	9	10½††	14.99	Vantona
Edin & Gen Ins	20	20	13	4.35	Mills & Allen Intl
Gillett Bros	189	190	215	5.16	Jessel Toynbee
Green (R.)	117§§§	132	81	14.27	Beazer (C. H.)
Green (R.)	135*	132	115	16.47	Throgmorton Tst.
Highams	75*	75	63	4.55	Largs
Howard Tenens¶¶	68§§	61	54††	10.81	Espley Eyas
Lifeguard Assce.	950*	950	407††	7.10	Mult Hlth & Life
Mixconcrete	210*	208	116	19.52	Pioneer Concrete
Rowan & Boden	60*	59	40	2.42	Firth (G. M.)
Sykes (Henry)	37*	36	25	3.16	Alco Standard
UDS	*100**	*105*	89	*190.7*	Bassishaw Invs

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 28/1/1983. †† At suspension. ‡‡ *Estimated.* §§ *Shares and cash.* ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Alexanders Disct.	Dec	3,000‡	(1,750)‡	60.5‡	(35.3)‡	20.0	(18.5)
Anglia Television	Oct	4,050	(4,709)	22.1	(20.5)	6.5	(6.0)
Bio Isolates	*Sept*	63L	(—)†	—	(—)	—	(—)
FNFC	Oct	15,200	(16,610)	12.5	(14.5)	—	(—)
Glass Glover	Sept	1,260	(869)	9.1	(6.5)	3.0	(2.5)
Guinness (A)	Sept	50,900	(41,800)	12.9	(9.4)	5.23	(4.9)
Habit Precision	Sept	19	(146)L	0.9	(—)	0.25	(—)
IoM Steam	Dec	184L	(842)L	—	(—)	2.5§	(5.0)§
Lookers	Sept	873	(1,050)	14.8	(12.5)	3.85	(3.85)
Meggitt Hldgs	Oct	380L	(516)L	—	(—)	—	(—)
ORE	Sept	57	(356)	1.0	(16.1)	—	(—)
Pratt (F) Engng	Oct	1,570L	(761)L	—	(—)	—	(4.4)
Rank Organistn.	*Oct*	*61,520*	*(102,760)*	*12.8*	*(25.9)*	*8.0*	*(10.8)*
Union Discount	Dec	11,370‡	(4,060)‡	113.7‡	(40.6)‡	31.0	(26.0)
Warner Estate	Sept	2,100	(1,793)	9.5	(8.7)	9.0	(8.0)

Offers for sale, placings and introductions

Superdrug Stores—is seeking a full listing.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Abbey	Oct	1,120¶	(1,630)¶	1.41	(1.41)
Aerospace Engg.	Oct	605	(525)	3.25	(2.75)
Asda	Nov	33,097	(28,558)	1.25	(1.01)
Dollands Photo	July	217L	(59)L	—	(—)
Dowty Group	Sept	16,968	(15,700)	1.65	(1.55)
Dyson (J & J)	Sept	180L	(304)	2.0	(2.0)
Ferguson Ind.	Nov	2,895‖	(2,845)‖	—	(—)
Fitch Lovell	Oct	6,020	(4,220)	2.17	(1.49)
Garford Lilley	Sept	297	(281)	0.25	(0.25)
Hallite	Oct	473	(408)	4.0	(4.0)
Heath (Samuel)	Sept	174	(364)	—	(—)
Home Farm Prds.	Nov	550	(450)	1.15	(1.15)
Longton Ind	Sept	163	(258)L	—	(—)
Macarthys Pharms	Oct	1,670	(1,920)	2.0	(2.0)
Mercantile House	Oct	13,060	(6,110)	5.0	(3.5)
Morland Secs	Sept	21	(8)	—	(—)
Newmark (Louis)	Sept	610	(625)	4.5	(4.0)
PH Industrials	Oct	98	(20)	1.5	(—)
Priest (Benjamin)	Oct	324L	(360)L	—	(—)
Saville (P)	Oct	159	(523)	1.0	(1.0)
SEET	Oct	320	(381)	1.0	(1.0)
Shaw & Marvin	Sept.	211L	(30)L	—	(—)
Smith Bros	Oct	811	(798)L	1.0	(0.5)
Smith (David S)	Oct	210	(604)	2.5	(2.5)
Sommerville (W)	Nov	47	(46)	0.55	(0.55)
Somportex	Oct	107	(291)	—	(—)
Star Computer	Oct	232	(201)	—	(—)
Stirling Group	Sept	549	(528)	0.5	(0.4)
Taddale Invs	Oct	915	(—)†	1.0	(—)
Walker (Alfred)	Oct	30	(40)	—	(—)
Whitworth Elect.	Sept	130	(164)	—	(—)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net except where others stated. † No comparable figure. ‡ After rebate, tax, and a transfer to reserves. ¶ In I£. ‖ For nine months. § Gross. L Loss.

Rights Issues

Audiotronic Holdings—is raising £574,000 via a two for one rights issue at 3.5p per share.

Rand London—is making a four for one rights issue at 60 cents per share to raise R32.88m (£20m).

CONTRACTS

£11.7m overseas work for Ineco

London-based INECO GROUP has in the last two months been awarded contracts worth $18m (£11.7m) for work in North Africa and the Middle East. The largest is a $10m (£6.4m) order from the Kuwait National Petroleum Co. for the supply and installation of insulation materials for use in oil pipe work on the Mina al Ahmadi refinery extension.

In Algeria, Ineco is to supply and install structural fire proofing at the LNG plant, Arzew, at a cost of $1m (£641,000). Saudi Petrochemical has placed a $7m (£4.4m) contract for the supply of insulation materials for an ethylene plant in Jubail.

£3m job at Gatwick for Cementation

The British Airports Authority has awarded Trafalgar House company CEMENTATION CONSTRUCTION a £3m contract at Gatwick Airport. When Cementation complete the 15 month contract to extend Pier 2, passengers from two 747's and two DC10's, a maximum of 1,200 people, can be handled in an hour. It will be a 2-storey, strucural steel framed extension 70 metres x 30 metres with five staircase link structures, four more loading bridges, passenger lounge, duty/tax free shopping area, and plant room. The main structural features will include windows 1.5 metres wide, solar double glazing on the mezzanine floor and a shallow pitch instead of flat roof.

★

CONDER MIDLANDS has been awarded a contract worth £1.75m to design and construct a central depot for East Staffordshire District Council. The project, which will be complete within a year, will bring together the transport department, central *stores, public works and housing* maintenance workshops.

★

FAIRCLOUGH BUILDING in East Anglia has won contracts worth £1.3m to build 35 new houses and modernise another 116—including 64 for the RAF—in Suffolk. New homes at *Saxmundham for Suffolk Coastal* District Council will be a mix of houses, bungalows and flats. The £650,000 project is due for completion in February 1984. New kitchens and bathrooms in 52 houses on Greenwich Estate, Ipswich, are being installed under contracts for the Borough of Ipswich worth nearly £200,000. Improvements worth £500,000 to RAF officers' married quarters will affect 64 houses at the Woodbridge and Bentwaters bases.

★

The National Coal Board has placed a £1.4m refurbishment contract with TILBURY CONSTRUCTION's building division, *based at Twyford, Reading.* Work will begin in mid-February on the modernisation of 87 homes on the South Ham Estate, Basingstoke, including re-roofing, new chimneys, central heating, electrical and plumbing works, drainage, fencing, and total re-decoration.

re-decoration. The work is expected to take 64 weeks.

★

Three contracts amounting to £800,000 have been awarded to MARTIN ACOUSTICS, Glasgow-based ceiling contractors, member of the Clark & Fenn organisation. The most valuable, at £360,000, is at the Distillers Company new headquarters in Edinburgh. Martins will install ceilings throughout the new building which is under construction by Gilbert Ash (Scotland).

★

Awards to the TRY CONSTRUCTION GROUP include rebuilding, following extensive fire damage, of St Mary's Church, London SW13. The contract value of £486,000 provides for the salvaging and re-use of much of the original materials and also Tudor sections of the church. Other awards are for the *refurbishment* of offices for Yorkshire General Life Assurance Company at Berkeley Street, London W1, value £280,000. Building of shops and offices for Wheatsheaf Investments at Pimlico Road, London SW1, value £700,000. And for Pontsarn Investments £600,000 for phase two of the refurbishment of offices in Great Portland Street, London W1.

★

RENDEL PALMER & TRITTON, consulting engineers, in association with Pencol Engineering Consultants, UK, and Bangladesh Consultants, of Dhaka, have been awarded a contract by *Petrobangla, Bangladesh Oil and* Gas Corp to carry out a techno-economic study for supplying natural gas to the western zone of Bangladesh. The study, which must be completed in six months, includes a pipeline crossing of the Jamuna (Brahmaputra) River. The work is worth £230,000, plus £60,000 payable in the local currency (taka).

★

Ten mobile homes worth £100,000 urgently needed in the Falklands, are providing work for carpenters, joiners, cabinet-makers and machinists in North Humberside. The company building the homes, BEVERLEY COACHCRAFT, was awarded the contract by the Overseas Development Administration because it has agreed to deliver in three weeks, when normally it would take two to three *months. The mobile homes are* required to augment boarding accommodation at the building which is to serve as a temporary hostel for the islands' only secondary school.

Refurbishing Becket House, Cheapside

ASHBY & HORNER has been awarded a £3.5m contract by General Accident Life and Fire Assurance Corp. to carry out major improvements to floors of Becket House, Cheapside, London EC4. This office space is being updated with air conditioning, false ceilings, improved toilet accommodation, and double glazing. Two extensions on the seventh floor will provide 320 sq metres of extra space. The total modernised space will be 4,100 sq metres and is due for *completion* at the end of the year.

★

ALEXIS MARTIN AIRCONDITIONING has won a £400,000 contract for design and construction of all mechanical services in a six-storey block of luxury flats being built by Haymills Contractors on the Christ Church development site, Lancaster Gate. An interesting feature of the development is the retention of the mid-19th century Christ Church tower which is being used to form *part of the main entrance to* the 23 luxury flat complex. Completion date for the project is expected to be January 1984.

★

Twinlock has awarded a vehicle leasing and maintenance contract worth £500,000 to RYDER TRUCK RENTAL. The four-year contract covers the lease and maintenance of a fleet of vehicles ranging from Volkswagen-MAN LT31 delivery vans *up to 32-ton gross train weight* Scania P82MA articulated vehicles.

★

The London Borough of Wandsworth has awarded the WEST LEIGH GROUP a contract worth around £750,000 for the replacement of windows and associated building work on the Aboyne Estate. Work on the contract is commencing this month and the programmed completion date is September 1983.

★

WIMPOL in collaboration with *WIMPEY* Laboratories has won a contract worth over £1m for a site investigation for the con*struction of a power station and* desalination plant in the Gulf State of Qatar. The contract of the Qatar Ministry of Electricity and Water involves WIMPOL in extensive marine investigations over 12 months. Investigations include bathymetric and geophysical surveys as well as a marine environmental study. These investigations, in conjunction with work being completed by *WIMPEY Laboratories,* will be used to optimise the design of the plant's five kilometre long *intake channel and twin outfall* structure as well as seeking ways of minimising the impact of plant construction and operation on the marine environment.

★

AVICA EQUIPMENT has been awarded a £670,000 order for the supply of components for the fuel systems of the various stages of the Ariane satellite launcher project. Components to be supplied by Avica, part of the Bestobell Group, include metallic ducting joints, stainless steel flexible hose lines and sealed bellows.

★

One of the Egyptian Navy's three SRN6 hovercraft will return to the builders, BRITISH HOVERCRAFT CORP, a Westland company, in March for complete refurbishing under a £550,000 contract. The craft will be *at Cowes, Isle of Wight,* for 10 months.

★

Godfrey Davis Europcar have acquired a fleet of ALFA ROMEO Alfasuds worth over £500,000. The company has chosen the 1.3 SC 5-door hatchback.

★

A contract worth over £500,000 to provide consultancy services for an energy conservation programme in Turkish industry has been won by the NATIONAL INDUSTRIAL FUEL EFFICIENCY SERVICE. The contract, which will have a projected 12-month programme, *was signed with EIE, the Turkish* Government agency responsible for energy conservation. It provides for energy studies across the five major energy-using sectors of the national economy where oil is a prime but costly fuel. These sectors include paper, glass, textiles, steel and power generation.

★

R. and G. Schmoele of West Germany has awarded £1m contract for mechanisation of a copper tube mill to TORVALE ENGINEERING, Pembridge, Herefordshire. The plant when in full operation will be entirely automatic, with full data programme. Visual display units *linked with memory and pro*gramme ensures that the position of any basket of copper tube anywhere in the system is known. Full data printout of each day's production will give the client the accurate stock control.

Office block for Telecom college

A construction contract worth over £2.25m has been awarded to the LINFORD BUILDING GROUP by British Telecom. Linford Building Ltd., the group's construction company, is to erect an administration facility at the *British Telecom Training College* at Yarnfield near Stone in Staffordshire. The part single *and part two-storey building will* be linked to the adjoining training buildings by a bridge. *Erected on pile foundations,* the administration building will be constructed on a reinforced-concrete frame with brick cladding, reinforced-concrete floors, and a pitched roof. It will provide a total area of 4,350 sq metres on two storeys. Linford will also construct the bridge link and carry out alterations to existing buildings to integrate the new facility into the complex. The provision of roads, landscaping, paving and services is included.

LADBROKE INDEX
based on FT Index
613-618 (+5)

APPOINTMENTS

Barclays Bank local directors

Mr Geoffrey Mainwaring, branch director of BARCLAYS BANK'S 415 Strand branch, has been appointed senior local director of the bank's London north western district. Mr Don Pratt, manager of Barclays Bank's 415 Strand branch, has been appointed branch director there. Mr John Ward, an executive local director of Barclays Bank's Newcastle upon Tyne *district, has been appointed* senior local director there.

★

NATIONWIDE HOUSING TRUST has made the following board appointments: Sir Herbert Ashworth, recently retired chairman of Nationwide Building Society and a past chairman of the Housing Corporation, is chairman. Mr Geoffrey McLean, a member of the National House Building Council, is deputy chairman. Mr Dennis Brewer, a former general manager of Nationwide Building Society, and Mr John Gillham, a Bovis Group director, are non-executive directors. Mr Frank Kraus, chief *solicitor, Nationwide Building* Society, and Mr Tim Melville-Ross, assistant general manager *(Housing), Nationwide Building* Society, are executive directors.

★

Mr Leslie Frodin, chairman, JOHN WEST FOODS, will retire on April 30. He will be succeeded by Mr Ron Walledge, managing director, Rosella Lipton Pty, Australia, who will join the company in early April. Mr Frodin will continue to act as advisor to the company until the end of the year.

★

Mr J. E. Elverston has been appointed to the board of *ANTHONY LUMSDEN & CO.,* Lloyd's brokers

★

Mr Eric Ireland has been appointed operations director for TARMAC CONSTRUCTION companies in Scotland. He will be responsible for activities of Tarmac Regional Construction and Cubitts Scotland and will be based in Edinburgh.

★

Mrs Gill Hewitt has been appointed a director of AUSTIN REED, retail division of Austin Reed Group. She is buyer for Options—Austin Reed's women's-wear outlet.

★

Mr Enrique Bacalao has been appointed an account manager in the Finnish section of BANK OF AMERICA'S Nordic region, based in London. He was previously with the loan syndication *unit of Bank of America Inter*national in London.

★

THE NATIONAL ASSOCIATION OF SECURITY DEALERS AND INVESTMENT MANAGERS has appointed Mr John D. Grant as chief executive. Mr Grant has been with ICI for 22 years and during the past 10 years has been engaged in the strategic planning function at the group's head office, working closely with the chairman, Mr John Harvey Jones, and his colleagues.

★

Mr David H. Gray has been promoted to group treasurer of FIRST LEISURE CORP.

★

Mr John Crozier has joined the board of CHEF AND BREWER as personnel director. He was regional personnel manager, Rank Xerox, with responsibility for personnel policy in nine European countries.

★

Sir Charles Hardie has been appointed deputy chairman of TRUSTHOUSE FORTE.

★

Mr Arthur Brittenden, director or corporate relations for News *International,* and Mr Derek A. Webster, chairman of the Scottish Daily Record and Sunday Mail, have been elected joint vice-chairmen of the Press Council for 1983.

★

Mr M. C. Barnard, vice-president, personnel, ROYAL INSURANCE CO OF CANADA, is to be seconded to the UK for three years with effect from March 1, to become deputy group personnel manager.

★

Mr G. R. Austin is joining WARDLEY GIBBS INVESTMENT MANAGEMENT as managing director from February 1. He was a director of Wardley Investment Services, based in Hong Kong.

★

Mr James W. S. Macdonald, vice-president finance of Marsh & McLennan Companies, Inc, has given up his directorship of C. T. BOWRING & CO, and of other subsidiaries within the Bowring Group. Mrs Jane V. Barker has been appointed *group financial controller* of C. T. Bowring & Co.

★

AMI (EUROPE) has appointed Mr Humphrey Nicholls deputy director of operations.

★

From February 1 Mr A. C. H. Gregory will assume further responsibilities at G. PERCY TRENTHAM'S head office; and will relinquish control of the south and Midlands areas. Mr R. J. Horsey will control the south area in addition to the south-east area. Mr D. H. Morgan will control the Midlands area in addition to south Wales.

★

Viscount Slim has been appointed chairman of BOYDEN INTERNATIONAL in London and Mr Michael Curlewis, formerly of Heidrick and Struggles, has succeeded him as managing director. Mr Peter Skala, a senior vice-president has added responsibility for European assignments.

Advance continues on Wall St

Spurred by new optimism about economic prospects, Wall Street yesterday pushed higher again following its jump of more than 25 points on the Dow Jones Average Thursday.

By 1 pm the Industrial Average was up a further 10.49 to 1,074.14, making a net rise of 21.15 on the week. The NYSE All Common Index, at $83.82, rose 66 cents on the day and a net 64 cents on the week. Advancing issues lead declines by a 9-to-4 margin. Trading continued heavy at 72.57m shares against 57.56m at 1 pm Thursday.

Analysts, however, said some investors may be hesitant about pumping large funds into the Stock Market ahead of President Reagan's Budget on Monday.

Wall Street generally is focusing on improving economic news, including yesterday's report of a 1.5 per cent rise in Leading Indicators in December. The report on Indicators, which foreshadows broad movement in the economy, raised hopes that recovery from recession may already be under way.

Also bolstering sentiment General Motors, up $1⅛ to $61⅞, plans to recall about 21,000 car workers in the next several months.

Chrysler, American Telephone and IBM were actively traded and fractionally higher.

General Electric, by far the best performer among the heavily traded issues, jumped $5 to $100. GE said the sale of Utah International to Broken Hill Proprietary would provide the company with money to expand its interest in the high technology area.

Texas Instruments improved $3¼ to $164¼. Comsat $2 to $74¾ and Avnet $1 to $70¾.

Commodore International moved up $1⅜ to $78½. Atlantic Richfield $⅝ to $43½, Sperry $⅝ to $38¼ and Milton Bradley $3⅜ to $34¼. But Abbott Laboratories were off $⅜ at $41.

Xerox fell $1¼ to $35¼—it reported lower 1982 earnings and predicted a "flat" net profit for this year.

G. D. Searle fell $4 to $45⅜.

THE AMERICAN SE Market Value Index moved up 2.01 to 361.50, reducing its loss on the week to 4.06. Volume increased 1.27m shares to 7.14m.

Closing prices for North America were not available for this edition.

Canada

Prices extended their early lead, with the Toronto Composite Index posting a 13.1 gain to 2,027.2 around mid-day.

Twelve of the 14 indices were higher, led by Oil and Gas which advanced 34.6 to 2,810.3 and Metal and Minerals 19.0 to 1,981.0. But Golds dipped 58.2 to 4,937.8.

Paper and Forestry issues shed 8.5 to 1,708.0 but Pipelines gained 9.2 to 2,052.3.

Singapore

Higher across the board in active trading, with special interest noted in Property and Motor stocks.

The Straits Times Index was up 6.17 on the day, and 14.15 on the week, at 773.99.

UOL were up 8 cents at S$3.24 and strongly traded, with over 2m of the Warrant issues changing hands. The Market was reacting to the announcement that a unit of the property concern had sold a parcel of land to an undisclosed buyer for S$47.1m.

Tokyo

The market rose sharply on active buying of "low-priced" Domestic Industry issues, with sentiment enlivened by the overnight upturn on Wall Street.

But International populars were mixed, due to caution about high price levels.

The Market Average rose 72.29 to 8,014.61 on heavy volume of 840m (550m) shares.

Drugs gained ground on increased foreign purchases. Speculatives such as non-Ferrous Metals, Paper-Pulps and Fisheries were in good demand.

Steels and Shipbuilders rose on bargain hunting.

Light Electricals, Computer Makers, Motors and Precisions firmed initially, but closed mixed. Isuzu Motors fell Y17 to Y395.

Constructions, Real Estates and Housebuilders were also favoured, followed by Foods, Textiles and Chemicals.

But Oils were mixed.

Victor Japan ended Y20 up at 2,200—it will start selling video discs in April.

Switzerland

Firmer on rising volume boosted by Thursday's sharply higher Wall Street.

After a hesitant opening, markets rose as a late rally gained momentum. Gains in Financials and Banks were moderate, while Chemicals featured in Industrials.

The Swiss Bond Market closed steady on light volume, with prices moving in a narrow range of one quarter to one half percentage point.

In the Foreign sector, Dollar stocks finished above overnight New York closing levels. Dutch Internations ended mixed, while Germans firmed.

Hong Kong

Firmer but below the day's high with the Hang Seng Index ending just below the 900 level at 899.82, up 15.10.

Prices rose initially following the sharp overnight rise on Wall Street, but persistent local profit taking later pared the advance

The Banking sector drew encouragement from Thursday's results from the Bank of East Asia which reported an 11 per cent rise in 1982 net profit. Its shares rose 80 cents to 26.60, while Hang Seng Bank added 50 cents at HK$50 and Hongkong Bank 10 cents at HK$8.40.

Paris

Higher in active trading.

News that management and unions at Renault signed a salary accord for 1983 aided markett sentiment.

Motors, Banks, Portfolios, Rubbers and Electricals rose, while Foods, Constructions, Oils and Chemicals were mixed. Stores fell.

Perrier shed FFr 1.2 to 232.8, despite news its net profit rose for the year ending September 1982.

In Foreigns, Americans, Germans and Dutch were steady, while Japanese and Oils fell. Gold Mines and Coppers were mixed.

Australia

Markets slipped in late trading to close mixed with a firmer bias, following the announcement that BHP, off 28 cents at $A6.76, had agreed to buy the Utah Group of Companies from General Electric Company of the U.S. for $U.S.2.4bn cash.

Umal Consolidated, which holds 10.8 per cent of Utah Development Corp, gained 15 cents to $A2.0. But brokers said they were puzzled about Umal's role in the deal.

Brokers said they were astounded by the announcement. "It's completely surprised the market," one broker said. "We're still trying to work out what it really means for BHP."

Elsewhere, activity centred in Gold Expoylers, with Carr Boyd up 5 cents to $A2.05, GMK firmed 50 cents to $A11.80 and Central Norseman 30 cents to $A10.40.

Germany

The overnight rise on Wall Street set off a recovery of share prices here as markets drew added strength from revived hopes of lower interest rates soon.

Steels were bid higher, while Blue Chips such as Daimler, up DM 3.5 at DM 383, and Siemens, up DM 2.3 at DM 68.3, were also in demand, aided by polls on Thursday giving the Liberal FDP a chance of retaining seats in Parliament in the March election.

The Commerzbank Index added 7.3 at 744.

Expectations that West German inflation has fallen below 4 per cent in January also gave both prices and volume a boost.

NEW YORK

CANADA

Stock	Jan. 27	Jan. 26
AMCA Intl	22⅜	22¼
Abitibi	19¼	19¼
Agnico Eagle	19¼	18½
Alberta Energy	14¾	14¾
Alcan Alumin	35½	33
Algoma Steel	28¾	27
Asbestos	10⅛	10⅛
Bk Montreal	25¼	25

DENMARK

Jan. 28	Price %	+ or —
Aarhus Olie	363.4	—0.6
Andelsbanken	172.4	+10.8
Baltica Skand	325	......
CopHandelsbank	191.4	......
D. Sukkerfab	411	......
Danske Bank	198	......
East Asiatic	89.0	—0.2

HOLLAND (continued)

Jan. 28	Price Frs.	+ or —
Gist-Brocades	128	+4
Heineken	109	+4.2
Hoogovens	16.6	+0.3
HunterDouglas	12	+0.5
Int Muller	19.7	+0.1
KLM	160.5	+12.6
Naaden	27	+0.5

AUSTRALIA

Jan. 28	Price Aust. $	+ or —
ANZ Group	3.70	......
Acrow Aust	1.25	......
A.O.D.	0.79	......
Ampol Pet	1.45	......
Assoc. Pulp Pap	1.85	......
Aust. Cons. Ind	1.25	+0.05
Aust. Guarant	2.28	+0.03
Aust. Nat. Inds	2.45	......

JAPAN (continued)

Jan. 28	Price Yen	+ or —
Konishiroku	605	—2
Kubota	324	—1
Kumagia	377	—1
Kyoto Ceramic	4,190	+20
Maeda Const	522	—1
Makino Milling	702	......
Makita	774	—2

FRANCE

ITALY

NORWAY

SPAIN

GERMANY

SWEDEN

AUSTRIA

BELGIUM/LUXEMBOURG

SWITZERLAND

HOLLAND

HONG KONG

JAPAN

SINGAPORE

SOUTH AFRICA

Indices

NEW YORK — DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

NEW YORK ACTIVE STOCKS

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firmer

The dollar finished above Thursday's closing levels in currency markets yesterday but finished well down from the day's best quotations. Selling pressure in the afternoon was sparked off by a late switch into D-marks, something that also happened on Thursday. This pulled the dollar down against other currencies with the one notable exception being sterling. News of a 1.5 per cent rise in U.S. leading indicators appeared to be in line with market expectations and had little effect. The dollar closed at DM 2.4310, higher than Thursday's close of DM 2.4250 but down from the day's high of DM 2.4420.

Against the Swiss franc it finished at SwFr 1.9875 up from SwFr 1.9850 and Y236.25 from Y235.10. It was also higher against the French franc at FFr 6.5925 compared with FFr 6.5675 on Thursday. Its trade weighted index on Bank of England figures fell to 120.1 from 120.3.

Sterling fell to a record closing low against the dollar but showed a small improvement against most major European currencies. Its index fell to 80.9 from 81.1, having stood at 81.1 at noon and the opening. Against the dollar it traded in a narrow range of $1.5320-1.5420, touching its best level in the afternoon. However a late fall by the dollar against the D-mark and other currencies failed to lift sterling and it closed at $1.5355-1.5365, a fall of 15 points. It was higher against the D-mark at DM 3.7375 from DM 3.73 and SwFr 3.0550 from SwFr 3.0525. It rose against the French franc to FFr 10.5850 from FFr 10.5525 and Y363 from Y361.5.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 28	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9704	44.9630	−0.02	+1.30	±1.5501
Danish Krone	8.23400	8.07031	−1.99	−0.67	±1.6430
German D-Mark	2.33379	2.29537	−1.65	−0.33	±1.0888
French Franc	6.61387	6.50787	−1.60	−0.22	±1.3940
Dutch Guilder	2.57971	2.52241	−2.22	−0.90	±1.5004
Irish Punt	0.691011	0.690167	−0.12	+1.20	±1.6691
Italian Lira	1350.27	1322.91	−2.03	−1.33	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Jan 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5320-1.5420	1.5355-1.5365	0.28-0.23c pm	1.99	0.82-0.77 pm	2.07
Canada	1.8950-1.9050	1.9875-1.9885	0.15-0.05c pm	0.66	0.50-0.40 pm	0.80
Nethlnd.	[illegible]	[illegible]	[illegible]	6.84	[illegible]	6.21
Belgium	73.00-73.80	73.15-73.25	5-15c dis	−1.64	32-42 dis	−2.02
Denmark	13.14-13.22	[illegible]	[illegible]	−6.78	[illegible]	−7.13
Ireland	1.1200-1.1300	1.1220-1.1240	0.82-0.73p dis	−7.21	1.40-1.63dis	−5.40
W. Ger.	[illegible]	[illegible]	[illegible]	5.62	[illegible]	5.75

Belgian rate is for convertible francs. Financial franc 76.05-76.15. Six-month forward dollar 1.29-1.24c pm. 12-month 2.05-1.90c pm.

THE DOLLAR SPOT AND FORWARD

Jan 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5320-1.5420	1.5355-1.5365	0.28-0.23c pm	1.99	0.82-0.77 pm	2.07
Ireland†	1.3620-1.3690	1.3670-1.3680	0.93-0.83c pm	7.74	2.40-2.20 pm	6.74
Canada	1.2350-1.2365	1.2355-1.2365	0.12-0.15c dis	−1.31	0.34-0.37dis	−1.15
Nethlnd.	2.6715-2.6810	2.6715-2.6735	0.90-0.80c pm	3.81	2.82-2.72 pm	4.14
Belgium	47.65-47.80	47.65-47.67	13-15c dis	−3.52	47-51 dis	−4.11
Denmark	8.5525-8.5800	8.5525-8.5625	[illegible]	−7.01	15-16 dis	−7.24
W. Ger.	2.4265-2.4420	2.4305-2.4315	0.69-0.63pf pm	3.23	2.24-2.19 pm	3.64

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 49.50-49.60.

EXCHANGE CROSS RATES

MONEY MARKETS

Revised shortage

UK clearing bank base lending rate 11 per cent (since January 12 and 13)

Day-to-day credit was in short supply in the London money market yesterday. The Bank of England initially forecast a shortage of £600m but later revised this to £650m. Factors affecting the market included bills maturing in official hands and a net take up of Treasury bills −£190m and the unwinding of previous sale and repurchase agreements −£182m. There was also a rise in the note circulation of £200m, partly offset by Exchequer transactions of +£10m.

The Bank gave assistance in the morning of £447m, buying eligible bank bills at 11 per cent, £30m in band 1 (up to 14 days), £325m in band 2 (15-33 days), £70m in band 3 (34-63 days) and £22m in band 4 (64-84 days). Further help in the afternoon came to £161m, making a total of £608m. The afternoon assistance comprised purchases of eligible bank bills at 11 per cent, £15m in band 1, £114m in band 2, £23m in band 3 and £9m in band 4.

In the interbank market weekend money opened at 11½-11¾ per cent and traded up to 11½ per cent before finishing at 9 per cent. At the weekly Treasury bill tender the average rate of discount rose to 10.9366 per cent from 10.7530 per cent, its highest level since August 1982.

LONDON MONEY RATES

ECGD Fixed Rate Export Finance Scheme [illegible] (inclusive) 10.833 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years [illegible] per cent [illegible]. Rates in table are buying rates for prime paper. Buying rate for four month bank bills [illegible] per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 10½ per cent from January 1 1983. London and Scottish Clearing Bank Rates for lending 11 per cent. London Deposit Rates for sums at seven days' notice 8 per cent.

Treasury Bills: Average tender rate of discount 10.9366 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 11½ per cent; one-three-month 11½ per cent; three-12-month 11½ per cent. Under £100,000 11¼ per cent from January 28. Deposits held under Series 3-5 11½ per cent. The rate for all deposits withdrawn for cash 8½ per cent.

OTHER CURRENCIES

*Selling rates.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 28	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
U.S. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Can. Dollar	[illegible]	10-10½	[illegible]	[illegible]	[illegible]	[illegible]
D. Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
S. Franc	29-32	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deutschm'rk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fr'nch Franc	12½-13	13-14	[illegible]	[illegible]	[illegible]	[illegible]
Italian Lira	[illegible]	[illegible]	20-22	[illegible]	[illegible]	[illegible]
Belg. Franc.						
Conv.	[illegible]	12-13	12-13	[illegible]	[illegible]	[illegible]
Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Krone	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asia $ (Sing.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT LONDON INTERBANK FIXING

(11.00 a.m. JANUARY 28)

3 months U.S. dollars		6 months U.S. dollars	
bid 9 1/4	offer 9 3/8	bid 9 9/16	offer 9 11/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

REVIEW OF THE WEEK

Markets boosted by gold and sterling

BY OUR COMMODITIES STAFF

WEAKER STERLING and higher gold, combined to give a hefty boost to London metal and commodity prices this week.

In the metal markets gold led the way, gaining $11 to $494.50 an ounce, after falling below $475 at one stage. The failure of the spot price to break through $500, caused some disappointment yesterday but fears of a banking crisis still dominate the minds of speculators in the U.S.

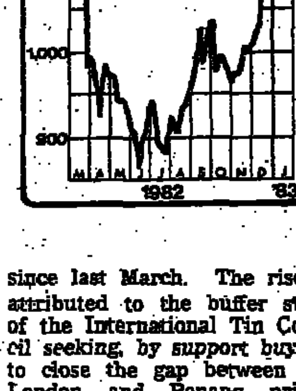
Free market platinum and silver recovered equally rapidly from what proved to be a temporary setback. An example of how sterling affected prices was well illustrated by platinum. The sterling quotation rose on the week by £21.25 to a 34-month high of £309.80 an ounce: the dollar equivalent moved up by only $22.50 to $476.00, still below the peak of $479.25 reached earlier this month.

The London bullion spot price of silver surged by 54.75p to 868.30p an ounce, the highest level for 27 months.

On the London Metal Exchange copper values advanced strongly, encouraged by rises in U.S. producer prices indicating hopes of a recovery in demand, although speculators continue to dominate the market.

Aluminium futures moved up strongly too. The fundamental supply-demand balance for aluminium is reported to have improved as a result of the heavy production cutbacks beginning to bite.

Tin prices moved through £8,000 a tonne for the first time since last March. The rise is attributed to the buffer stock of the International Tin Council seeking, by support buying, to close the gap between the London and Penang prices, which had widened considerably with the fall in the value of sterling against the Malaysian. Standard grade cash tin yesterday closed £275 up on the week at £8,090 a tonne, which is calculated to be still some £300 below the Straits tin price in Malaysia when transport costs are taken into account.



On the "softs" (non-metal) markets, cocoa and coffee were the star performers. The May position on the London cocoa futures was £75 up on the week at £1,271.5 a tonne, while on the London coffee futures market the March position jumped by £90 to £1,734 a tonne.

Apart from sterling, cocoa was boosted by continuing fears about the Brazilian crop increasing the prospect of a supply deficit this season. Coffee, particularly the Robusta variety traded on the London market, remains in short supply for immediate delivery as a result of the International Coffee Agreement's export quota scheme.

The weak pound pushed the No 1 RSS spot price of natural rubber up this week by 3.25p to 58p a kilo. The London daily price for raw sugar gained £8 to £109 a tonne, encouraged by reports of heavy buying by Russia. However futures values fell sharply yesterday as speculative selling emerged at the higher levels.

BASE METALS

COPPER

ALUMINIUM

Aluminm	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Spot	752.5-3	+.25	760-1	+34.5
3 months	756-.5	+9.5	784-5	+33.7

NICKEL

TIN

SILVER

LEAD

COCOA

ZINC

GRAINS

beginning Monday January 31 is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Feb 132.75, Mar 133.50, Apl-May 123.50 trans shipment East Coast sellers. English feed fob Mar 127 East Coast seller. Maize: French Feb 147 trans shipment East Coast seller. South Africa white-yellow Mar-Apl 97.50. Rest unquoted.

WHEAT Mnth	Yesterd'ys close	+ or −	BARLEY Yest'rd'ys close	+ or −
Mar	125.25	+0.25	116.15	+0.40
May	126.90	+0.15	117.90	+0.55
July	128.85	+0.29	—	—
Sep	115.15	−0.05	108.85	+0.10
Nov	118.00	−0.05	112.00	+0.20

Business done—Wheat: Mar 125.30-5.10, May 126.95-6.75, July 128.85-8.65, Sept 115.10 only, Nov 118.05-8.00. Sales: 613 lots of 100 tonnes. Barley: Mar 116.10-5.80, May 117.90-7.55, Sept 108.80-8.75, Nov 112.00-1.90. Sales: 129 lots of 100 tonnes.

COFFEE

COFFEE	Yest'day's Close	+ or −	Business Done
January	2010-45	−12.5	2045-35
March	1733-35	+20.5	1745-18
May	1629-31	+17.5	1637-20
July	1548-50	+20.5	1550-35
Sept	1484-85	+13.5	1492-75
Nov	1425-30	+25.5	1425-15
January	1382-00	+28.5	1385-80

Sales: 6,892 (5,461) lots of 5 tonnes.

ICO indicator price for Jan 27 (U.S. cents per pound): Comp. daily 1979 125.25 (125.85): 15-day average 126.77 (127.04).

POTATOES

RUBBER

INDICES

FINANCIAL TIMES

Jan. 27	Jan. 26	M'th ago	Ya'r ago
255.55	253.00	239.66	251.97

(Base: July 1 1952 = 100)

REUTERS

Jan. 28	Jan. 27	M'th ago	Y'ar ago
1659.0	1655.6	1580.3	1635.5

(Base: September 18 1931 = 100)

MOODY'S

Jan. 27	Jan. 26	M'th ago	Y'ar ago
1052.9	1051.5	1011.1	1010.3

(December 31 1931 = 100)

DOW JONES

Dow Jones	Jan. 27	Jan. 26	Month ago	Year ago
Spot	144.07	143.34	135.24	127.86
Fut'rs	149.1	147.58	139.48	155.24

(Base: December 31 1974 = 100)

spot 58.00p (57.50): March 58.25p (same): April 60.25p (60.00p).

SOYABEAN MEAL

	Yesterd'y's Close	+ or −	Business Done
	£ per tonne		
Feb	144.00-46.0	−1.00	144.50
April	145.30-45.4	−1.20	146.40-45.70
June	147.20-47.3	−0.88	148.00-47.00
August	148.00-48.3	−0.90	148.60-48.20
October	150.00-51.0	−0.50	151.00-50.00
Dec	154.00-55.0	−0.55	155.00
Feb	157.00-57.3	−0.40	—

Sales. 369 (195) lots of 100 tonnes.

SOYABEAN OIL—Close (U.S.$ per tonne). Feb 400.0, 407.0, untraded; April 412.0, 413.0, 417-415.0; June 427.0, 428.0, 430.0-427.0; Aug 433.0, 437.0; Oct 436.0, 446.0; Dec 445, 455.0; Feb 452.0, 464.0. Sales: 106 lots of 25 tonnes.

SUGAR

LONDON DAILY SUGAR—Raw sugar £109.00 (£110.00) a tonne cif Jan-Feb-March shipment. White sugar £138.50 (£137.50).

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
March	110.15-10.25	114.25-14.50	114.25-10.00
May	115.00-15.15	118.40-18.45	118.00-14.50
Aug.	123.60-23.75	127.00-27.10	126.50-23.00
Oct.	129.50-29.60	132.75-33.00	132.25-28.25
Dec.	136.00-37.00	139.25-39.75	—
March	142.60-43.50	146.00-47.50	144.50
May	145.50-49.50	149.00-52.00	—

LONDON OIL SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	29.75-30.00	+0.30
Iranian Light	27.25-28.75	−0.25
Arabian Heavy	27.75-28.00	−0.15
North Sea (Forties)	29.50-29.80	+0.35
Brent	29.70-29.80	+0.40
African Bonny Li'ht	30.75-31.00	+0.25
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	285-287	−3.0
Gas oil	249-256	−7.5
Heavy fuel oil	156-159	−8.0

GAS OIL FUTURES

A marginally lower opening followed a slightly weaker New York close. Short-covering caused a short-lived rally, reports Premier Man.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Jan.	254.00	−5.00	258.00-258.00
Feb.	250.50	−1.00	251.75-248.00
March	243.25	−0.25	248.00-242.00
April	238.25	−0.75	241.50-238.25
May	237.50	−0.75	240.75-237.50
June	238.75	+0.25	240.50-238.75
July	240.00	+2.00	242.50-241.00
Aug.	244.50	+2.50	246.00-244.50
Sept.	244.00	−1.00	244.50

Turnover: 3,318 (3,599) lots of 100 tonnes.

GOLD MARKETS

Gold fell just $½ an ounce lower from Thursday's close in the London bullion market to close at $494-495. The metal opened at $493¼-494¼ and touched a low of $491-492 before recovering later in the day, helped by the continued strength of silver.

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	$ per troy ounce		
February	493.00-93.5	−1.550	494.50-91.5
March	496.70-97.5	−1.500	498.50
April	501.40-01.7	−1.300	503.30-98.8
May	505.00-05.4	−1.750	—
June	508.90-0.91	−1.850	509.00
July	512.50-14.0	−1.800	—
August	516.20-16.8	−1.500	—

Turnover: 712 (1,708) lots of 100 troy ounces.

	Jan. 28		Jan. 26	
Gold Bullion (fine ounce)				
Close	$494-495	(£321½-322)	$494½-495½	(£321¾-322¼)
Opening	$493¼-494¼	(£320¾-321¼)	$489-490	(£318-318¾)
Morning fixing	$492.50	(£320.575)	$493.50	(£320.767)
Afternoon fixing	$493.75	(£320.450)	$497.50	(£322.235)

Gold Coins Jan. 28

Krugrnd	$508-509	(£330¼-331½)	King Sov	$117-118½	(£76-76½)
½ Krg	[illegible]	[illegible]	Victoria Sov	$117-118½	(£76-76½)
¼ Krg	[illegible]	[illegible]	French 20s	[illegible]	[illegible]
1/10 Krug	[illegible]	[illegible]	50 pesos Mex	[illegible]	[illegible]
Mapleleaf	[illegible]	[illegible]	100 Cor. Aust	[illegible]	[illegible]
New Sov	[illegible]	[illegible]	$20 Eagles	[illegible]	[illegible]

AMERICAN MARKETS

NEW YORK, January 28

Sugar was moderately lower in a continued reaction to a private estimate [illegible]. [illegible] could not hold their best levels under pressure from trade selling. Gold was under light pressure from weekend [illegible].

NEW YORK

CHICAGO

Delta Air Lines dives into red

DELTO AIR LINES, the sixth largest comercial carrier in the U.S., incurred a loss of $5.6m, equal to 14 cents a share, in the second quarter ended December 31, writes Our Financial Staff. This compared with profit of $8.5m or 21 cents a share last year. Revenues rose to $899.1m from $894.6m.

For the first half, the net loss [illegible] against a profit of $16.-1m or 41 cents last time. Revenues eased to $1.78bn from $1.79bn. The latest figure includes a gain of 24 cents a share from the sale of aircraft.

Delta's December revenue passenger miles rose to 6.1bn miles from 5.7bn a year earlier. Its load factor increased to 52.7 per cent, against 51.9 per cent. Available seat miles totalled [illegible]

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STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡Bargains at special prices. ●Bargains done the previous day. Bargains done with non-member or executed in overseas markets.

Aylesbury Brewery 4pcDb £34 (21/1)
Bass 4pcPf (£1) 38 (25/1). 7pcPf (£1) 63½●. 3¼pcDb 1987-92 £64. 8¼pcDb 1987-92 £80. 10.65pcDb 1996-99 £92 (24/1). 4½pcLn 1992-97 £52 (26/1). 7½pcLn 1992-97 £70
Bass Invest 6pcLn 1985-90 £65 (25/1). 7½pcLn 1992-97 £68 (26/1)
Bell (Arthur) 7¼pcDb 1986-91 £74½
Bulmer (H.P.) Hldgs 9½pcPf (£1) 110 (25/1)
Cameron (J.W.) 6¼pcDb 1988-93 £60½●
Daniell Sons Breweries 4½pcDb £35 (24/1)
Davenports Brewery 4pcDb £34 (25/1)
Davenport's Brewery (Hldgs) 213. 5pcPf (£1) 41 (26/1)
Devenish (JA) 490 7
Distillers 5½pcLn £43½. 7¼pcLn 1988-93 £71½. 10.5pcLn 1993-98 £89¼ ¼ 90
Eldridge Pope 4pcDb £35 (26/1). 6¼pcLn £51 (25/1). 7½pcLn £58 (25/1)
Greenall Whitley 8pcPf (£1) 98 9½. 7¼pc

Belgrave (Blackheath) 130
Bell Sime 133 (21/1)
Benlox Hldgs 8pcPf (£1) 160 2 3 5 7½ 7 70
Benn Bros 10pcPf (£1) 94 (21/1)
Benson's Hosiery (Hldgs) 12pcLn 1977-91 £66 7 8 (25/1)
Bestwood (15p) 132 (26/1)
Bibby (J.) Sons 4.2pcPf (£1) 50½ (21/1). 10¼pcDb 1994-99 £84½ (25/1)
Birmid Qualcast 7½pcLn 1987-92 £59
Blockleys 6pcPf (50p) 18½ (21/1)
Blue Circle Inds 5¼pc2ndDb 1984-09 £52¼. 6pcDb 1988-93 £68½ (26/1). 7pcDb 1988-93 £72¼. 9pcDb 1992-97 £80½. 10¼pcDb 1994-99 £89¼. 6¼pc Ln (1975 or aft) £46 (26/1)
Blundell-Permoglaze Hldgs 7¼pcLn 1990-1995 £69 (24/1)

Authorised Units—continued

Henderson Administration (a) (b) (c)
Premier UT Admin 5, Rayleigh Road, Hutton, Brentwood, Essex. 02777 217238

Overseas Funds				
Australian	67.5	72.6	+0.6	3.41
European	68.5	73.6	+1.1	2.87
Japan Trust	44.9	48.3xd	+0.6	0.16
Jap Spl Sis	47.5	50.0		0.10
Pac Sm Cos	95.6	102.8	+0.6	1.71
North Am	96.2	103.2xd	+2.9	1.45
Amer Sm	159.2	171.2	+2.5	0.01
Am Rev Ts	76.4	82.1	+1.7	1.52

Lawson Fund Managers Ltd (a) (c) (g)
43 Charlotte Sq., Edinburgh 2. 031-225 6001

High Yield	19.4	20.4		11.80
Do. Accum.	19.4	20.4	....	11.80
Aust & Pac.		10.0	....	1.20

Insurances—continued

Albany Life Assurance Co Ltd
3, Darkes Lane, Potters Bar. 0707 42311

Pension Funds				
EqtPen FdAc	519.0	546.2	+5.8	—
Fxd I PenAcc	378.7	398.6	−0.4	—
GtdMonPnAc	230.7	242.8	+0.1	—
IntMnPnFdAc	212.3	223.5	+2.2	—
N AmPnFdAc	99.4	104.6	+2.3	—
Prop Pen Ac	210.3	221.3	+0.1	—
MpInvPnAc	444.2	467.6	+4.0	—

Offshore and Overseas—continued

Perpetual U.T. Managers (Jersey) Ltd
P.O. Box 459, St Helier, Jersey 0534 74517

Offshore Gwth	—	51.00	....	2.0

Schroder Mngt Services (Jersey) Ltd
P.O. Box 195, St Helier, Jersey 0534 27561

Schroder Money Funds Ltd

Sterling	£13.2905	...	—
U.S. Dollar	US$25.0296	...	—
Deutschmark	DM50.0549	...	—
Swiss Francs	SF50.0080	...	—

EUROPEAN OPTIONS EXCHANGE

Ulster TV A (25p) 68 70 (25/1)
Unigate 6pcPf (£1) 52 (24/1). 7¼pcDb 1986-91 £77¼ (25/1). 6½pcLn 1991-1996 £62 ¼ (26/1). 6½pcLn 1992-97 £82 3 4 (25/1)
Unilever 7pc1stPf (£1) 61½. 8pc2ndPf (£1) 70½. 6¼pcDb 1985-88 £81¼ 2¼. 5¼pcLn 1991-2006 £47 ½. 7¼pcLn 1991-2006 £63½ 4 ¼ ½ 5¼
Unilever NV 4pcPf (Fl 12) 22 (21/1)
Union Intnl 6pcPf (£1) 43 ½. 7pcPf (£1) 50
Union Steel of South Africa (R0.50) 41
United Biscuits (Hldgs) 8pcDb 1993-98 £70 (26/1)
United Gas Inds 9pcLn 1983-86 £90 (24/1). 10¼pcLn 1998-2003 £80 (25/1)
United Newspapers 6pcPf (£1) 44 (26/1)
Upton (E.) Sons (25p) 27 (26/1)
Usico Hldgs (R1) 175 (24/1). Dfd (R1) 180 (25/1)
Valor 5¼pcPf (£1) 94 5 (26/1)
Vantona Group 4.9pcPf (£1) 48½
Vickers Pfd 5pc £32½●. 5pcPf (£1) 51½ (26/1)
Victoria Carpet Hldgs (25p) 16½ (25/1)

W—Y—Z

Waddington (John) 6pcPf (£1) 36 (24/1). 8pcPf (£1) 47 (24/1)
Walker Staff Hldgs (5p) 31
Walker (J. O.) (25p) 106
Walker (Thomas) (5p) 11 ½ (26/1)
Warner Communications ($1) $28½ (21/1)
Wassall (J. W.) (5p) 35. 7½pcPf (£1) 42 (25/1)
Waterford Glass Group 11¼pcLn 1976-95 £48 51
Watson (R. Kelvin) 10.5pcPf (£1) 98 (21/1)
West Riding Worsted Woollen Mills 6pc Pf (£1) 42½ 3
Westland 6pcDb 1983-88 £76 (25/1). 7¼pcLn 1987-92 £70
West's Group Intnl 4.9pcPf (£1) 32
Whitecroft 4.1pcPf (£1) 45½
Whites (Timothy) 6¼pcLn 1983-88 £72 3 (25/1). 8pcLn 1986-91 £75 (28/1)
Whittingham (William) (Hldgs) 8pcLn 1992-97 £81½ (21/1)
Widney 7pcPf (£1) 28 (21/1)
Willay 9.5pcPf (£1) 79 82 (25/1)
Wilkinson and Riddell 5pcPf (£1) 49 (26/1)
Wilson (Connolly) Hldgs 10½pc2ndPf (£1) 95
Wire and Plastic Products (10p) 42
Woolworth Hldgs 14pcLn 1987-89 £100¾ 1 ½
Wormalds Walker Atkinson 9pcLn 1986-1991 £73½ (21/1)
Worthington (A. J.) (10p) 11 (26/1)
Wyndham Engineering (15p) 71
York Trailer 10pcPf (£1) 70
Yorkshire Chemicals 10pcDb 1991-96 £83 (25/1). 12½pcLn 1987-92 £100 (24/1)

FINANCIAL TRUSTS

Aitken Hume Hldgs 10pcLn 1990-91 £143 4 5 6 ½

TR Industrial & General Trust 4¼pcDb £34¼●. 5½pcDb 1982-87 £81 ½ (25/1)
TR North America Inv Trust Wts to Subscribe for Ord 133 4 5. 4½pcPf (£1) 39 (25/83). 4pcDb £32½ (25/83). 4½pcDb £38 (21/1)
TR Pacific Basin Inv Trust Wts to Subscribe for Ord 133 4 5. 4½pcPf (£1) 39 (25/1). 4pcDb £32½ (25/1). 4½pcDb £38 (21/1)
TR Technology Investment Trust 5pcPf (£1) 44
TR Trustees Corp 4½pcPf £39 ½
Temple Bar Investment Trust 7pcPf (£1) 60 (26/1)
Throgmorton Trust 7¼pc1stPf (£1) 60 ½
United States Debenture Corp 3.85pcPf £47½. 4pcDb £33¼ (21/1)
Vantage Securities (10p) 27½ ¼ (26/1)
West Coast Texas Reg Inv Trst Wts to Subscribe for Ord 58 60 (26/1)
Witan Investment Co 2.7pcPf (£1) 32½ ½. 3.4pcPf (£1) 42½. 4pcDb 1974-84 £92. 8pcDb 1996-99 £69½
Yorkshire & Lancs Inv Trust Warrants to sub for Ord 20 1 2½ 2 ½ ½

MINES—MISCELLANEOUS

AMAX Inc 8pc SubDbs 1/1/86 ($100) £29
Amalgamated Financial Invs (1p) 13
Anglo American Investment Trust (R0.50) £46 (26/1). 6pcPf (R2) 25 (21/1)
Bisichi Tin Co (10p) 14
Botswana RST (Pu2) 27 8 (26/1)
Consolidated Co. Bultfontein Mine (R2) 30 (26/83)
Consolidated Gold Fields 6½pcLn 1987-92 £66 (25/1). 7¼pcLn 1999-2004 £66. 8¼pcLn 1988-93 £76
De Beers Consolidated Mines 40pcPf R5 (Br) (Cpn 148) £7½ (25/83). 8pc2ndPf (R1) 20 (26/83)
El Oro Mining & Exploration Co (10p) 86
Globe & Phoenix Gold Mining Co (12½p) 55
M.T.D. (Mangula) ($R1) 20 (24/1)
Minerals & Resources Corp ($B1.40) $11.4 735p 40
North Kalgurli Mines Option to sub for 1 share 42½ 3 ½ 4½ 4 ½
Northchart Investments (R0.10) 7
Rio Tinto-Zinc Corp 50S 8 10 3. 3.325pc APf (£1) 40½ (26/1). 3.5pcBPf (£1) (Br) (Cpn 42) 41. 6¼pcLn 1985-90 £73¼●

MINES—SOUTH AFRICAN

African & European Investment Co 6pcPf (R200) £20 5 (24/1)
Coronation Syndicate (R0.25) 97 101½
East Rand Proprietary Mines Options to Sub for Shs 515 (26/1)
New Central Witwatersrand Areas (R0.50) 640
New Kleinfontein Properties (R0.25) 130
Trans-Natal Coal Corp (R0.50) 470 (26/1)
Western Deep Levels Option to Sub for Ord 528 (21/1). 12pcDbs 1986-93 (R1) 44 (21/1)

Sunderland South Shields 3.5pc £36½ (25/1). 2.8pcPf £25. 7¼pcDb 1991-93 £70¼ (24/1). 7¼pcDb 1992-94 £70½ (24/1). 10pcDb 1992-94 £84
Tendring Hundred 3.5pc (£10) 320 (21/1). 7½pcDb 1991-93 £74½ (21/1)
Wrexham East Denb 3.5pcPf £38

UNLISTED SECURITIES MARKET

Baltic Leasing (5p) 183 5½ 5 7½ 7 90 2 3½ 3 5 6½ 200 2½
Berkeley Hay Hill (10p) 12½ 3½ 3 ½
CAMRA (Real Ale) (£1) 110 (26/1)
Convermoor 150 2 7
Carlton Real Estates (8p) 21 2
Ciro (10p) 110
City Site Estates 10pcPf (20p) 34 (21/1)
Cluff Oil 8 1 2 4
Delmar 33 4 (25/1)
Eldridge, Pope A (£1) 610 4 (25/1)
Exeter Buildings Construction (50p) 188 (26/1)
First Talisman (20p) 32¼ ½
Fuller, Smith Turner A (£1) 980 (21/1)
Garfunkels Restaurants (10p) 112 3
Inn Leisure (5p) 33 4
Knight Computer Internat (5p) 30
London Continental Hldgs (8p) 29½ 30 1. 11½pcLn 1995-2002 £133 5 (26/1)
Memory Computer (Ir£0.10) 180 5½ 5
Merrydown Wine 450 2 5 8 7 8½ 40
Micro Business Systems (10p) 230 2 3 5
Microfilm Reprographics (10p) 40 (25/1)
Microgen Hldgs (10p) 360 70. New (10p) 355 60 5 70 5
Miles 33 (10p) 139
Munford White (10p) 230
New Court Natural Resources Wrnts 8 10 (25/1)
Radio City (South of Merseyside) A 106
Resource Technology (10p) 172 (21/1). New (10p) 170 5
Slaters Food Products (10p) 135 7 8 40
Swindon Private Hospital (£1) 110 (24/1)
Television South 14-20pcLn 1986-88 £106 (21/1)
Thorpe Group (5p) 76
Toms Estates (10p) 44 5 6½
United Friendly Insurance B (10p) 207 (25/1)
Wight Collins Rutherford Scott (10p) 290 2 3 4 5 6 7
Wilsitre Systems 8 (21/1)
Yelverton Investments (5p) 38 ½ 9 ½

RULE 163 (4) (a)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

ACI 78
Aberfoyle 415● (25/1)
Acmex 38 (25/1)
Acorn Secs 620 60 1 2 ½ 3 4 ½ 75 6 ½
Agnico Eagle Lines 960 75 90 £10¼
Alliance Oil Devpt Aust 51
Allstate Expl 460 5 (24/1)
American Electric Power US$16⅞ (25/1)
American Home Products £28¾
American Standard £33.28 (21/1)
Ampol Expl 91 (26/1)

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange

Aero Needles 5.25pcPf £5 178 (21/1)
All England Lawn Tennis Gnd £50Db 1981-85 £6,900 700 (21/1)
Amal Metal Corp 180 90
Ann Street Brewery 400
Baker Electronics 19 20 (24/1)
Bell 4pcPerp1stMtgDb £29½ 30 (21/1)
Biotechnology Inv 900 12½ (26/1)
Brist Invs 195 200 (25/1)
Cannon St Inv 5 6 (26/1)
Carraon 15 ½ ½ (26/1)
Central Equip 8 418 25 (24/1)
Checkpoint Europe 404 5 6 10
Church Army Hsg Soc 2½pcLn £9½
CIC Inv 11½ ½ (26/1)
Dalkeith (Ceylon) 8 9 (28/1)
Dart Valley Light Rlwy 65
Dawson (Wm) 249 51 (25/1)
Deborah Serv 58 60 (25/1)
Dollar Land 35 6 (21/1)
Eadie Bros (Hldgs) 50
First Castle 12pcCnvUnsLn 1985-87 £110¼ 1 (21/1)
Grampian TV 55 8
Greater Manchester Ind Radio 180 3 8 (24/1)
Greenless Lennards 4pcMtgDbs £30 (26/1)
Guernsey Press 400 (26/1)
GKN (UK) 6½pcGtdDb 1980-85 £83½ 4
Heart of England Bldg Soc 15¼pcBds due 2/3/83 £100 .027 .032
Hill Woolgar 97 ½ 8 ½ 9 100 ½ 1
Hydro Hotel Eastbourne 300 3
Jennings Bros 153½ 5 9 61 (26/1)
Jersey Gas 185 90 (21/1)
Le Riches Stores 273 5 (21/1)
MRC 18½ 9
London Atlantic Inv Tst 5¼pcDb 1983-88 £65½ 6
Manchester Utd FC 160 3 (24/1)
Manx and Overseas Inv Tst 14
Nationwide Leisure 15 7
Norton Villiers Triumph 1 ½
Panter Sec 8pcCumPf (£1) 20 2 (25/1)
Plantation and Gen Invs 88 ½ (25/1)
Rangers FC £13 (26/1)
Red Rose Radio A (Non-Vtg) 19½
Roche Plant 18½ 8 ¼ (24/1)
Shepherd Neame A 770 5 (24/1)
Simons 46 54 (25/1)
Southern Newspapers 195 7
Taddle Inv 48 9 ½
Utd Friendly Insce B 272 5
Wessex Water Auth 5¼pcStk 1982-87 £51 4 (24/1)
Wolverhampton Racecourse 51 2
Workington Brewery £78 83 (26/1)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

Kenmare Oil Expl 2 (26/1)

(By permission of the Stock Exchange Council)

U.K. CONVERTIBLE STOCK 29/1/83

Statistics provided by *DATASTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates⊕	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div◇	Cheap(+) Dear(−)◊ Current
British Land 12pc Cv 2002	9.60	250.50	333.3	80-97	4.8	2.5	−0.5	−4 to 3	29.3	85.4	22.3	+22.8
Hanson Trust 9½pc Cv 01-06	81.54	203.00	71.4	85-01	4.9	2.8	5.7	−1 to 6	95.4	75.6	−10.3	−15.9
Slough Estates 10pc Cv 87-90	5.03	210.00	234.4	78-84	4.8	—	−5.7	−13 to −3	17.6	9.3	−3.8	+1.9
Slough Estates 8pc Cv 91-94	24.72	99.00	97.5	80-89	8.1	8.2	6.9	3 to 15	28.8	34.2	5.8	−1.1

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◇ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ⊕ Second date is assumed date of conversion. This is not

مكتبة الإسكندرية 150

GHR LISTS $1.19bn DEBTS

Energy group seeks court protection

BY PAUL TAYLOR IN NEW YORK

GHR Energy Corporation, a privately owned Louisiana energy company, has filed for protection under Chapter 11 of the U.S. bankruptcy code listing $1.19bn in debt to 1,078 creditors including $750m to a group of U.S. and foreign banks.

The company, which owns and operates a modern refinery in Louisiana valued at $700m and has natural gas reserves in South Texas valued at $1.06bn, said it had been forced to file because of the "high cost of feedstocks and low demand and price for refined products."

The filing lists debts of $750m to 14 U.S. and overseas banks. However, it is understood that the banks have already acted to reduce their exposure by $375m by taking control of several GHR energy natural gas producing properties. Of the remaining $375m, Banque de Paris et des Pays-Bas is owed $122.5m, Continental Illinois $82.5m and Chase Manhattan $62.5m.

Both Continental and Chase were hit last year by the failure of Penn Square Bank which sold $2bn in energy loans to a group of major U.S. banks. However, it is understood that GHR's bank debts have already been classified as non-performing by the major banks and are unlikely to have any major immediate impact on earnings.

GHR Energy is the main operating subsidiary of GHR Companies, an energy group built up by Mr John Stanley, an energy entrepreneur. GHR Companies, which has also filed under Chapter 11 had estimated revenues of $3.3bn last year.

GHR Energy said it was "working towards a solution of its cash flow problems" and is negotiating with three unnamed crude producing nations which are considering a number of options including: outright purchase of the Good Hope, Louisiana, refinery; a joint venture with GHR; or a crude oil processing agreement.

In addition, it is negotiating with three U.S. companies "which have expressed a serious interest in purchasing the refinery."

GHR Energy, which listed its assets as $1.4bn in the filing, said it has 45 secured creditors including the banks. Unsecured creditors are owed $307.3m.

GHR Energy's problems reflect the depressed state of the energy sector but were also compounded by its heavy investment in the refinery.

Eaton and Iveco set up truck gearbox venture

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

EATON CORPORATION and Iveco's announcement yesterday that they are to collaborate in the design, marketing and manufacture of medium-duty transmission systems marked another significant stage in the restructuring of the world's truck component industry.

The arrangement will provide increased competition in Europe for ZF, the West German group, and the U.S.-owned Dana-Turner transmission business based in the UK.

It will also involve Eaton manufacturing and marketing medium-duty truck transmissions in the U.S. for the first time. So far it has concentrated solely on its heavy duty Fuller gearboxes there.

Both Iveco, the Fiat-owned commercial vehicle subsidiary and Europe's second-largest commercial vehicle producer after Daimler-Benz, and Eaton needed to replace their ageing current ranges of medium-duty transmissions—used in delivery vehicles and trucks up to 16 tonnes gross weight.

They started talking about a joint venture 18 months ago, and are already well ahead with development work based on Eaton's NM five- and six-speed boxes. Iveco is a long-standing customer for Eaton's UK-made axles and Fuller heavy-duty boxes.

First prototypes of the transmissions should be in working vehicles by 1985, and full production is scheduled for 1986. Eaton will use its plant at Basingstoke, in the UK, to manufacture the gearboxes.

Basingstoke employed 475 of Eaton's 2,400 UK-based workforce but is currently reducing that number by 118 with a voluntary redundancy programme.

In the U.S., Eaton will manufacture the boxes at one of three existing plants.

Apart from major savings arising from sharing development costs, Iveco also benefits from having access to Eaton's worldwide truck components sales network.

At the same time, Eaton should gain from getting guaranteed volume from Iveco which will help keep down the price.

Rizzoli and La Centrale in row over advertising deal

BY JAMES BUXTON IN ROME

THE SIGNING of an agreement by the Rizzoli publishing group under which it will give up control of all advertising in Corriere della Sera, the Italian newspaper, for five years, has provoked a raging argument.

The protagonists are Rizzoli itself and La Centrale, the financial holding company of the Ambrosiano group which owns 40 per cent of Rizzoli.

The deal, signed this week, is between Rizzoli and Spi, Italy's second largest advertising agency. In return for full control of the advertising of Corriere della Sera and its sports sister paper, Corriere dello Sport, Rizzoli is to receive a guaranteed minimum income of L760bn ($543m) over five years.

The Rizzoli management believes the agreement will pave the way to the consolidation by banks of Rizzoli's short term debt, put recently at nearly L300bn.

La Centrale acquired its stake in Rizzoli in 1981 when Sig Roberto Calvi, the banker found dead in London last summer, was chairman of Banco Ambrosiano. Last November, it was formally entrusted with the task of selling Rizzoli, or at least its richest asset, the Corriere della Sera.

La Centrale, now controlled by the seven banks which rescued Banco Ambrosiano, says the deal should have been submitted to it for approval before being signed.

Yesterday, Sig Piero Schlesinger, chairman of La Centrale, said in a newspaper interview that it was totally unnecessary for a major newspaper to farm out the collection of its advertising revenue. The advertising revenue, he implied, was one of the most attractive aspects of the newspaper to the interests with which La Centrale was negotiating the sale of Rizzoli.

The mandate for the sale of Rizzoli was recently extended beyond its original deadline of January 31. Despite the discreet interest expressed by various groups of businessmen, its sale has always appeared problematic because of the intense jealousy among politicians for the control of Corriere

Earnings ahead at McDonnell Douglas

McDONNELL DOUGLAS, the U.S. aerospace company, yesterday reported a further improvement in fourth quarter and full year net earnings, despite a continuing but reduced operating loss on its commercial aircraft business.

For the fourth quarter the company reported net earnings of $60.9m or $1.54 a share on sales of $1.928bn compared to net earnings of $35.3m or 90 cents a share after a $50m pre-tax provision in 1981—$25.5m or 64 cents a share after tax—to cover possible losses on commercial aircraft financing. Sales for the 1981 quarter totalled $2.097bn.

For the full year, McDonnell Douglas reported net earnings of $214.7m or $5.44 a share compared to $176.6m or $4.44 a share on sales of $7.38bn in 1981 and $7.33bn last year.

The 1982 figure includes a pre-tax provision of $30m ($15.3m after tax) to cover possible losses connected with commercial aircraft financing.

The company said the 1982 improvement stemmed mainly from improved operations and a decline in interest expense. At the end of the year, McDonnell Douglas had $244m in short term debt but held $256.9m in short term investments.

The operating loss on commercial aircraft sales was $45.8m last year including the $30m provision compared to $85m in 1981 including the $50m provision. The improvement was achieved despite a decline of $1.017bn in commercial aircraft sales last year.

At the end of the year, it had a firm order backlog of $10.165bn compared to $8.78bn at the end of 1981 and a total backlog, including orders not yet funded, under negotiation or subject to contingencies, of $17.181bn compared to $14.672bn.

Bavaria wants German solution to Grundig future

BY STEWART FLEMING IN FRANKFURT

SIEMENS and Robert Bosch, two of West Germany's largest electrical concerns, are engaged in talks which could lead to their participation in a German-backed takeover of Grundig, the Federal Republic's leading consumer electronics group.

Dr Anton Jauman, Bavarian Economics Minister, said yesterday that he had been in touch with officials of the various companies involved in the protracted Grundig negotiations in an attempt to put together an alternative to the planned takeover of 75.5 per cent of Grundig by Thomson-Brandt, the nationalised French company.

Dr Jauman is proposing to call a meeting of Siemens and Bosch as well as Philips, the electrical concern, and Thomson-Brandt.

Behind the Minister's moves appears to be the judgment that neither the German Cartel Office nor the Federal Economics Ministry will approve the Thomson-Brandt takeover. The Cartel Office will oppose it on competition grounds, and Bonn because of the strong political opposition which has emerged to the Thomson-Brandt bid.

According to Dr Jauman, the interests of the State of Bavaria and the interests of Grundig run in parallel. Grundig, which is based in Nürnberg in Bavaria is a major employer in the state, and this is one of the reasons for the Minister's decision to seek an active role in trying to ensure its long term future.

Additionally, the Munich area is the centre of the West German micro-electronics industry.

The widespread opposition to Thomson-Brandt's acquisition of control of Grundig reflects not only concern about jobs and the dominant position which the French company would achieve in the West German consumer electronics industry through such a move.

There is also the realisation in Bonn that consumer electronics is an integral part of West Germany's whole micro-electronics capacity.

AEIBC to raise SwFr 350m

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

AMERICAN EXPRESS International Banking Corporation (AEIBC) is raising SwFr 350m on the Swiss capital market in what is believed to be one of the largest packages ever put together in Switzerland for a foreign private sector corporation.

The money is designed to finance the Swiss franc portion of the price AEIBC is paying for its recently announced acquisition of the non-U.S. banking subsidiaries of Trade Development Bank Holding.

A first part of the package in the form of a SwFr 100m bond issue was announced on Wednesday, but yesterday Soditic, the lead manager of the bond issue, followed this up with the launch of a four-tranche SwFr 250m private placement.

This will involve the issue of SwFr 125m of five-year notes with a coupon of 4¾ per cent, SwFr 40m of six-year notes of 4⅞, SwFr 35m of seven-year notes at 5 per cent and SwFr 50m of eight-year notes at [illegible] per cent. All the tranches are priced at par.

When the package is completed, AEIBC will have arranged all the Swiss franc finance it needs to pay for its acquisition, the total cost of which is $550m. The remainder of the price includes up to $160m in cash and the issue to Trade Development Bank Holding of 2.7m AEIBC common shares as well as warrants to purchase a further 1.7m

Japan lifts ban on zero coupon bonds

BY YOKO SHIBATA IN TOKYO

JAPAN'S Finance Ministry is to lift the ban on the domestic sale of zero-coupon bonds from next Tuesday, security houses were told yesterday.

Sales of the bonds, which carry no interest but are sold at a deep discount and are repaid on maturity at face value, have been suspended since last March. At that time, the bonds were considered partly responsible for a considerable outflow of capital which was weakening the yen.

The ministry has, however, attached certain conditions to the resumption of sales. First, the issue of zero coupon bonds is to be held at less than one-third of all new issues; second, those bonds already issued and on the market cannot be traded in for six months from the date of issue; third, in the first year after the maturity date of a new issue the sales volume of each security house will be limited to 10 per cent of the total.

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"Recent Issues" and "Rights" Page 30

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600

Heavy U.S. buying of ICI boosts equity turnover
Tentative rally in Gilts—Australian mines active

Account Dealing Dates
Options

*First Dealings	Declara-tions	Last Dealings	Account Day
Jan 17	Jan 27	Jan 28	Feb 7
Jan. 31	Feb. 17	Feb. 18	Feb. 28
Feb. 21	Mar. 3	Mar. 4	Mar. 14

* "New-time" dealings may take place from 9.30 am two business days earlier.

ICI stormed higher and led a broad advance which left London equities with a marginal overall rise after an extremely disappointing start to the week. Heavy U.S. investment buying of ICI late on Thursday continued yesterday and pushed London turnover in the shares well above the 1m market. The demand followed an even larger Wall Street trade the previous day on American broking house recommendations, some based on future profit predictions. Speculation that the UK group was contemplating moves to expand marketing of its anti-breast cancer drug, discovered some years ago, was also a factor. In London, ICI surged to a 1982/83 high of 406p before reacting on profit-taking to close a net 26 up at 396p.

Other equity sectors attracted increased activity with speculative and situation issues still finding many supporters. There were notable laggards; these included Oils, despite British Petroleum's announcement of higher pump prices from midnight on Monday Electricals, too, found the going sticky on occasions before benefiting from GEC's new contract to supply turbine generators for South Africa. Recently-sluggish Properties revived as the agreed counter-offer for R. Green directed attention to the prevailing discounts to net asset values on which many are trading.

Demand after the official close, when business is permitted without penalty for the three-week trading Account starting on Monday, ensured a firm close and the FT 30-share index ended 8.4 up at the day's best of 620.0; the rise in ICI accounted for 1.3 of the gain. The weakness of sterling, which has undermined markets this week, scarcely influenced investors yesterday. Of more importance, apparently, was Wall Street's trend and that centre's likely response to highly encouraging economic pointers.

After Monday's marked deterioration, British Government stocks managed to improve further yesterday. Selected maturities at both ends of the market showed gains to ½ and the Government Securities index regained 0.41 more at 77.57; at this level, the measure was still 0.77 down on the week.

Banks good

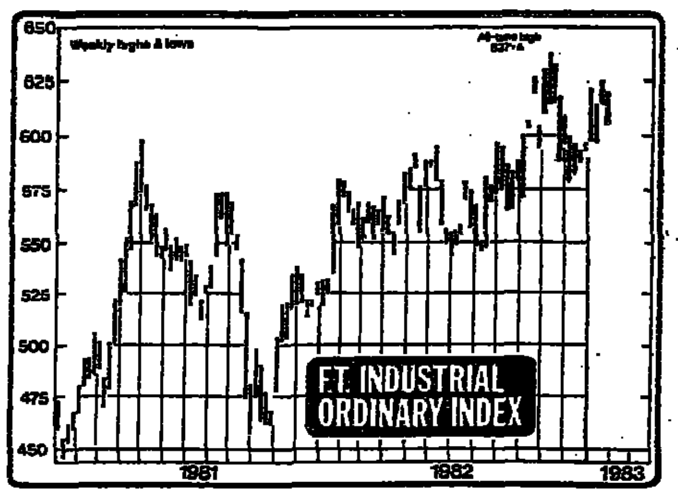
Buying ahead of the dividend season which Lloyds starts on February 18 helped the major clearing banks to close with gains ranging to 15; sentiment was also helped by news that the Inland Revenue has formally agreed to allow the banks to seek tax relief on bad foreign loans. Barclays ended 15 better at 420p as did NatWest, at 525p, while Lloyds gained 13 to 435p and Midland 8 to 328p. Elsewhere, First National Finance Corporation softened 1½ to 41p following the liquidation of speculative positions in the wake of the results. Sturla, on the other hand, hardened 1½ to 9p.

Life Assurances took Thursday's gains a stage further. Renewed demand following a broker's favourable circular helped Legal and General, up 13 at 366p, and Pearl 12 higher at 552p. Composites also fared well with buying continuing after-hours. GRE appreciated 12 to 442p. General Accident put on 10 to 424p and Eagle Star firmed the same amount to 360p.

Press comment highlighting the company's prospects in the wake of the excellent preliminary results prompted renewed support of Arthur Guinness which rose 4 for a gain on the week of 14 at 119p. Buyers also showed interest in Scottish and Newcastle, 2½ better at 78½p, but other leading Breweries were subdued and held close to the overnight levels.

Ibstock Johnsen reacted to 92p before picking up to close just a penny cheaper on balance at 97p; both bids for the company, from London Brick and Redland, have lapsed following referral to the Monopolies Commission. London Brick firmed 2 to 129p and Redland 3 to 238p. Elsewhere in the Building sector, Aberthaw Cement, a volatile market recently following the bid approach and subsequent share-exchange offer from Blue Circle Industries, shed 10 to 590p but retained a gain on the week of 210. Marchwiel attracted further support and put on 8 for a three-day gain of 18 to the preliminary results are due shortly.

Following an American buy recommendation which prompted strong overnight support in New York, ICI opened 18 higher at 388p and advanced to a three-year peak of 406p before settling a net 26 up at 396p. Laporte gained 10 to 238p in sympathy. Stewart Plastics shed 10 to 100p on disappointment with the interim results.



Leading Stores attracted an improved business and finished the Account with useful gains in places. Burton, dull earlier in the week on the prospect of the acquisition of UDS's Richard Shops and John Collier chains, rallied 16 to 298p on persistent support: sentiment was helped by possible union opposition to any splitting of UDS assets. UDS hardened a couple of pence to 105p. Interest was also noted for British Home, which advanced 7 to 206p.

Selected speculative issues made strong progress. Helene of London improved 5½ to record a two-day gain of almost 14½ to 29p, while country buying lifted Sumrie Clothes 14 to 62p. Ellis and Goldstein touched 32p before settling for a net gain of 3 at 30½p.

Big contract for GEC

GEC recovered from recent uncertainty caused by talk that a large line of shares was overhanging the market and closed 8 better on balance at 198p with sentiment buoyed by the group's been awarded a £320m South African contract. Other Electrical leaders were undecided, but a considerable amount of speculative activity was evident in secondary issues. Cray jumped 15 to 130p and MK put on 17 to 310p, while renewed demand in a thin market left Amstrad 40 higher at 400p. Comment in the wake of the proposed rights issue helped Audiotronic to advance 4 making a jump of 15½ on the week to 34p. Pethow revived with a rise of 5 at 38p and Arlen gained 3 more, making a jump of 38 on the week at 217p. Louis Newmark, however, lost 7 to 213p on the interim report.

Leading Engineerings followed the improving trend, with quotations showing to further advantage in the after-hours' dealings. GKN settled 7 higher at 133p and TI 6 better at 154p, but Hawker, a dull market for most of the week, managed only a small improvement of 2 to 356p. Elsewhere, the poor interim figures from John Brown, up 2½p at 21½p, after 17p, appeared to have been well discounted. GM Firth were outstanding at 225p, up 20 and IMI edged up 2½ more to 48p.

Tate and Lyle continued firmly in the Food leaders, hardening 2 more for a gain on the week of 18 to 288p. Elsewhere, Albert Fisher put on 4 to 48p following an investment recommendation, while Hillards gained 6 to a 1982-1983 peak of 198p awaiting Monday's interim results. After Thursday's drop of 20 on the poor results, Somportex rallied 8 to 40p, but George Bassett encountered selling and, in an unwilling market, shed 4 to a 1982-83 low of 61p.

Erskine House strong

Comment on Mr Brian McGillivray's purchase of a 15 per cent stake in Erskine House at 67p per share and his plan to increase this to a near-30 per cent attracted renewed speculation to the shares which rose steadily to close 22 up and 60 higher on the week at 131p. Office and Electronic soared 80 in a thin market to 305p on demand fuelled by talk of a new computer, while London and Liverpool Trust featured once again with a fresh speculative surge of 28 for a rise over the past fortnight of 196 at 533p. Awaiting the merger terms, Mr Asil Nadir's Polly Peck jumped 4 points more to £34, Cornell gained 12 to 250p and Wearwell 8 to 104p. Berisfords advanced 8 to 80p on the proposed £3.85m acquisition of British Trimmings from Rexmore; the latter ended 7 dearer at 27p, after 31p. Bid hopes helped Cope Allman to put on 4 to 56p, while renewed speculative buying lifted Cape Industries 5 further to 96p. Against the trend, Broken Hill Proprietary lost 20 to 430p following the proposed acquisition from General Electric of Utah International and Utah Marcona Corporation for U.S.$2.4bn. The absence of the rumoured U.S. bid left Sothebys 20 off at 420p. The miscellaneous industrial leaders featured Unilever, 23 up at 818p, and Pilkington, 8 dearer at 190p.

Several firm features appeared in the Leisure sector. Pavilion Leisure attracted revived speculative demand and, in a thin market, jumped 9 to 29p, while SelecTV, the company which recently appointed Mr Robert Maxwell as chairman, put on 8 for a three-day gain of 21 to 58p. Riley Leisure gained 12 to 160p, while Leisuretime International rose 9 to 144p.

Newspapers finished on a firm note. Associated, a dull market of late, rallied 7 to 180p. Further investment recommendations allied to the news that Lord Matthews is to devote more time to the company's affairs prompted support of Fleet Holdings which rose 4 to a new peak of 48p. Haynes were marked 15 higher at 185p following the increased interim profits and dividend. Elsewhere, fresh investment support boosted British Printing and Communication 8 to 105p. In contrast, James Cropper came under pressure and, in a limited market, fell 25 to 100p.

R. Green jumped 17 to 132p following the agreed 135p cash counter-bid from Throgmorton Trust; original bidders G. H. Beazer put on 13 to 236p. Throgmorton's move for Green stimulated support for other selected Property issues. Percy Bilton put on 8 to 228p, as did Thames Investments, to 88p. Estates and General also gained 8, to 69p, while Trust of Property, the subject of call option business on Thursday, put on 4½ for a two-day gain of 7 to 30½p. Tops Estates rose 7 to 52p following Press comment, while Dares Estates touched 19p before closing 1½ up on balance at 18½p. Standard Securities hardened a couple of pence to 106p following a major property acquisition. Land Securities firmed 4 to 280p and MEPC the same amount to 194p while Slough Estates improved 2 to 97p.

Oils uncertain

Overshadowed by the threat of lower crude prices, Oil shares traded on an uncertain note. A slightly firmer trend developed after the close following yesterday's early improvement on Wall Street, but BP's decision to increase its petrol prices by 5p per gallon had little impact on sentiment. BP settled without alteration at 314p and Shell ended a couple of pence higher at 408p. Lasmo, on the other hand, gave up 5 more to 265p and Ultramar closed similarly cheaper at 543p. Revived speculation about the company's Horndean drilling prospects left Carless Capel 13 higher at 148p, with Marinex advancing 16 to 55p in sympathy. Hadson were also noteworthy for a rise of 10 to 58p, along with Moray Firth, 3 higher at 15p.

Financials recorded some useful gains. Inclined easier at one stage, Mercantile House settled with a rise of 15 at 740p, a gain of 60 since the announcement of the group's interim figures. Exco International put on 18 to 435p, while lat demand lifted Aitken Hume 13 to 358p. Centreway Industries rose 10 to 130p after the good interim figures, while Centreway Trust gained 11 to 83p. Fresh interest was shown in Trusts, scattered gains being recorded throughout the list.

Tobaccos finished a relatively active week on a bright note; Bats, still bolstered by the prospect of bumper overseas earnings in the wake of the weakness of sterling, added 9 more to 712p, while Imperial attracted a brisk two-way trade and closed 4 to the good at 131p ahead of preliminary figures due in the next Account.

Australian gold stocks continued to blaze a trail in a generally firm mining market.

The recent speculative favourites attracted another sizable two-way business led by Carr Boyd, which dropped to 130p before settling a net 4 cheaper at 138p—a week's gain of 36p—following the high gold values obtained at the Harbour Lights gold prospect at Leonora in Western Australia.

Hill Minerals, which holds a near 19 per cent interest in Carr Boyd, closed 2 easier at 78p but retained a rise on the week of 45p, while Aztec Minerals dipped a penny to 18p compared with last Friday's closing level of around 10p.

Other speculative golds were equally in demand, particularly Enterprise Gold which hardened 2 to 61p—up 27 over the past five days—and Acorn Securities, 12 to the good at 76p. Otter Exploration jumped 7 more to 55p, Samson 6 to 46p and Samantha 4 to 54p, while CGMA put on 1½ to 5½ following favourable Press comment.

The leading "down-under" gold mines were highlighted by Central Norseman, which rose 48 to a 1982/83 high of 663p, and Gold Mines of Kalgoorlie, 28 better at a year's best of 748p.

Peko-Wallsend dipped 10 to 436p on a 3m share placement at a price of A$6.50 a share (around 412p) to supplement working capital.

Although by no means as active as their Australian counterparts, South African Golds made further significant progress despite the relative steadiness of the bullion market. Strong overnight American demand coupled with persistent buying from Johannesburg led to substantial price rises at the outset but the market then encountered strong resistance as widespread profit-taking ensued. As the close, the majority of the leaders were still showing good gains but final quotations were well below the day's highs.

The Gold Mines index rose 10.0 more to 649.2, to wipe out the 38 point-plus drop on Monday and leave the index 9.2 up over the five-day period.

Among the heavyweights, St. Helena f etareudeDo ... ... Helena featured with a rise of £1½ to £32¼ while Free State Geduld, recently favoured by South African buyers, rose ½ more to £34¼.

Traded Options attracted 2,640 contracts, sufficient to boost the week's total to 19,381—a record total for the second consecutive week. In contrast to earlier sessions, however, business centred chiefly on one stock, namely ICI, which recorded 748 calls and 156 puts; the majority of call money was directed towards the April series where the 360's attracted 245 calls and closed 28 dearer at 50p, while the April 390's recorded 300 trades and advanced 15 to 28p. Imperial Group remained to the fore reflecting the relative strength of the underlying share price with 291 calls transacted.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Jan 28 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Jan 27 Index No.	Wed Jan 26 Index No.	Tues Jan 25 Index No.	Mon Jan 24 Index No.	Year ago (approx.) Index No.	1982/83 High	1982/83 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (208)	419.14	+1.3	9.57	4.10	13.01	413.64	414.36	418.79	418.68	381.21	455.28 (4/11/82)	351.14 (14/1/82)	455.28 (4/11/82)	50.71 (13/12/74)
2	Building Materials (24)	412.33	+0.7	10.24	4.60	11.76	409.52	407.19	405.51	407.74	337.77	426.76 (7/1/83)	299.54 (6/1/82)	426.76 (7/1/83)	44.27 (11/12/74)
3	Contracting, Construction (30)	739.03	+0.6	11.92	4.47	10.00	734.96	735.98	727.43	733.99	596.71	756.89 (10/1/83)	529.58 (6/1/82)	756.89 (10/1/83)	71.48 (2/12/74)
4	Electricals (32)	1553.98	+2.0	7.74	2.22	16.57	1523.07	1527.45	1575.96	1569.22	1290.05	1904.92 (11/10/82)	1205.68 (14/1/82)	1904.92 (11/10/82)	84.71 (25/6/62)
5	Engineering, Contractors (10)	392.57	−0.1	17.85	7.62	6.86	392.91	398.37	396.71	401.85	515.71	523.05 (5/2/82)	392.57 (28/1/83)	523.05 (5/2/82)	64.39 (2/1/75)
6	Mechanical Engineering (66)	197.01	+0.5	12.33	6.02	9.95	196.01	197.65	196.75	196.46	204.92	210.68 (6/9/82)	187.11 (6/4/82)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (11)	164.88	+2.9	13.18	7.54	9.10	160.19	159.76	158.98	157.41	182.98	182.98 (29/1/82)	128.45 (5/10/82)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (18)	78.25	—	0.95	8.13	—	78.28	77.93	77.58	76.73	101.92	102.40 (3/2/82)	72.33 (4/10/82)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (17)	385.48	+1.2	9.09	5.53	13.70	380.93	380.87	380.13	382.20	407.07	410.63 (5/2/82)	337.32 (9/8/82)	410.63 (5/2/82)	277.55 (15/1/81)
21	CONSUMER GROUP (201)	410.28	+0.9	10.20	4.33	11.89	406.68	408.30	405.72	400.98	296.15	416.68 (7/1/83)	265.59 (5/1/82)	416.68 (7/1/83)	61.41 (13/12/74)
22	Brewers and Distillers (23)	453.23	+0.2	11.15	4.72	10.96	452.13	453.84	451.44	442.80	290.55	458.00 (6/1/83)	261.00 (12/1/82)	458.00 (6/1/83)	69.47 (13/12/74)
25	Food Manufacturing (21)	341.38	+1.1	13.41	5.40	8.74	337.64	336.93	331.93	329.23	287.19	341.38 (28/1/83)	255.63 (21/6/82)	341.38 (28/1/83)	59.67 (11/12/74)
26	Food Retailing (14)	851.23	+0.5	7.47	2.84	16.83	847.07	850.27	837.51	838.98	597.32	915.86 (17/11/82)	545.79 (5/1/82)	915.86 (17/11/82)	54.25 (11/12/74)
27	Health and Household Products (8)	723.23	+0.5	5.45	2.52	21.77	719.91	727.83	721.69	706.96	395.23	743.51 (15/11/82)	338.78 (5/1/82)	743.51 (15/11/82)	175.38 (28/5/80)
29	Leisure (24)	480.90	+0.9	8.56	5.01	15.14	476.60	480.17	476.40	476.95	445.13	485.80 (21/1/83)	395.85 (9/7/82)	485.80 (21/1/83)	54.83 (9/1/75)
32	Newspapers, Publishing (13)	704.38	+2.6	8.99	4.60	14.02	686.41	692.41	692.64	695.11	498.98	710.87 (19/1/83)	472.39 (14/1/82)	710.87 (19/1/83)	55.08 (6/1/75)
33	Packaging and Paper (14)	156.41	+3.2	14.89	7.16	7.88	151.62	151.99	150.24	149.38	145.44	156.41 (28/1/83)	130.74 (5/1/82)	161.79 (1/5/81)	43.46 (6/1/75)
34	Stores (47)	348.46	+0.9	8.69	3.95	15.25	345.29	345.89	347.44	342.40	271.99	397.17 (19/11/82)	238.02 (5/1/82)	397.17 (19/11/82)	52.63 (6/1/75)
35	Textiles (23)	179.13	+1.0	13.30	5.98	9.15	177.32	176.93	177.51	177.37	170.74	182.62 (12/5/82)	152.91 (5/1/82)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	505.75	+1.8	17.35	5.48	6.37	496.78	499.94	494.80	481.21	289.63	505.75 (28/1/83)	251.28 (6/1/82)	505.75 (28/1/83)	94.34 (13/6/62)
39	Other Consumer (11)	358.43	+1.2	2.35	3.88	—	354.08	355.75	351.29	352.32	278.51	358.43 (28/1/83)	247.87 (1/1/82)	358.43 (28/1/83)	229.94 (28/9/81)
41	OTHER GROUPS (77)	304.63	+2.3	11.22	5.38	10.71	297.73	298.56	298.46	296.41	257.85	304.63 (28/1/83)	228.88 (5/1/82)	304.63 (28/1/83)	58.63 (6/1/75)
42	Chemicals (15)	411.60	+4.5	11.98	5.88	9.92	393.74	394.74	395.19	387.35	344.39	411.60 (28/1/83)	297.89 (5/1/82)	411.60 (28/1/83)	71.20 (1/12/74)
44	Office Equipment (5)	91.18	+4.5	12.14	6.27	10.16	87.27	86.90	85.95	85.34	131.88	131.88 (29/1/82)	78.52 (22/12/82)	246.56 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	532.51	−0.1	16.27	7.99	7.32	533.14	531.79	533.03	540.78	583.37	587.26 (5/2/82)	496.46 (10/12/82)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (44)	425.40	+0.6	9.36	4.27	13.02	422.82	424.91	424.47	424.57	318.13	428.63 (21/1/83)	289.92 (5/1/82)	428.63 (21/1/83)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (486)	400.02	+1.2	10.12	4.39	12.06	395.21	396.43	396.47	393.29	320.10	410.34 (7/1/83)	289.79 (5/1/82)	410.34 (7/1/83)	59.01 (13/12/74)
51	Oils (14)	714.93	+0.2	17.69	8.09	6.67	713.83	726.76	724.69	727.30	709.39	792.72 (22/10/82)	627.13 (10/3/82)	1055.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	426.08	+1.1	11.21	4.92	10.81	421.60	423.82	423.67	420.99	351.81	437.01 (7/1/83)	324.63 (12/1/82)	437.01 (7/1/83)	63.49 (13/12/74)
61	FINANCIAL GROUP (121)	289.84	+1.7	—	6.10	—	284.86	282.92	280.78	281.03	260.55	289.84 (28/1/83)	238.23 (28/6/82)	289.84 (28/1/83)	55.58 (13/12/74)
62	Banks (6)	301.90	+3.0	33.40	7.99	3.27	293.17	292.81	287.24	288.91	286.80	304.42 (22/2/82)	249.31 (4/10/82)	304.42 (22/2/82)	62.44 (12/12/74)
63	Discount Houses (8)	275.73	+0.2	—	8.85	—	275.13	283.13	271.69	275.10	236.42	334.35 (14/10/82)	211.15 (7/1/82)	334.35 (14/10/82)	61.49 (10/12/74)
65	Insurance (Life) (9)	360.56	+1.6	—	5.31	—	354.93	344.64	345.86	349.87	257.87	363.91 (15/11/82)	245.18 (12/1/82)	363.91 (15/11/82)	44.88 (2/1/75)
66	Insurance (Composite) (10)	203.76	+1.7	—	6.98	—	200.29	196.94	196.28	194.72	160.63	203.76 (28/1/83)	147.23 (20/5/82)	203.76 (28/1/83)	43.96 (13/12/74)
67	Insurance Brokers (7)	553.41	+1.2	11.60	4.93	12.00	546.79	547.65	547.46	547.22	442.08	584.97 (20/10/82)	410.59 (13/1/82)	584.97 (20/10/82)	65.86 (16/12/74)
68	Merchant Banks (13)	163.66	+0.4	—	5.27	—	162.93	161.88	161.29	161.37	152.82	163.66 (28/1/83)	128.79 (5/7/82)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (54)	424.04	+1.3	6.12	4.22	21.56	418.43	420.15	418.75	417.54	465.08	468.36 (11/3/82)	378.29 (26/11/82)	517.77 (2/4/81)	56.01 (20/4/65)
70	Other Financial (14)	208.83	+0.9	13.38	5.63	8.87	206.90	207.91	203.54	204.01	186.42	208.98 (21/1/83)	157.25 (16/8/82)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	395.07	+0.7	—	4.25	—	392.50	391.73	389.44	393.19	314.40	396.55 (21/1/83)	283.53 (6/1/82)	396.55 (21/1/83)	71.63 (13/12/74)
81	Mining Finance (4)	263.21	−0.1	7.80	5.40	17.17	263.50	258.90	259.29	249.11	241.60	273.55 (19/1/83)	169.40 (21/6/82)	296.26 (14/8/81)	66.31 (30/9/74)
91	Overseas Traders (16)	425.52	+0.4	11.73	8.50	11.26	423.70	423.95	423.88	424.75	435.60	438.99 (11/2/82)	327.29 (21/6/82)	488.51 (18/5/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	393.44	+1.1	—	5.12	—	389.10	390.00	389.30	387.41	330.93	398.27 (20/1/83)	306.22 (12/1/82)	398.27 (20/1/83)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri Jan 28	Day's change %	Thur Jan 27	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	116.36	+0.22	116.10	—	[illegible]
2	5-15 years	123.85	+0.32	123.43	—	1.62
3	Over 15 years	129.82	+0.61	129.08	—	[illegible]
4	Irredeemables	133.16	+0.82	134.06	—	[illegible]
5	All stocks	123.22	+0.38	122.75	—	0.97
6	Debentures and Loans	99.31	−0.22	99.43	—	[illegible]
7	Preference	75.28	+0.02	75.39	—	[illegible]

	AVERAGE GROSS REDEMPTION YIELDS		Fri Jan 28	Thur Jan 27	Year ago (approx.)	1982/83 Highs	1982/83 Lows
	British Government						
1	Low	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	Coupons	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Medium	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Coupons	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7	High	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Coupons	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11	Debs & Loans	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12		15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14	Preference		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A new list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price p	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
§108	F.P.	13/1	200	140	‡Baltic Leasing 5p	200	+5	b2.8	3.5	2.0	15.8
‡‡	F.P.	—	16	12	‡Booth (Charles) 5p	16	.....	—	—	—	—
§100	F.P.	22/4	105	100	Br. Kidney Pat. As.	105					
*215	100p	22/4	54	48	Britoil 10p	49	−1	b9.9	1.8	8.5	8.1
§74	F.P.	21/1	158	105	‡Canvermoor	150	−5	b3.54	3.0	3.5	17.0
55	F.P.	7/1	133	98	‡GarfunkelsRest.10p	111	−1	b1.86	3.2	2.4	14.5
§17	F.P.	21/1	35	24	‡Inn Leisure 5p	35	+1	gd.42	3.7	1.7	17.5
§130	F.P.	14/1	190	155	‡Memory Comp Ir10p	185	+7	bQ28.6%	5.5	1.5	20.1
§120	F.P.	30/12	265	195	‡Micro Bus. Sys. 10p	230	−2	b2.28	5.4	1.4	22.9
§190	F.P.	—	388	330	‡Microgen	355	−8	b4.0	2.9	1.6	35.3
§155	F.P.	7/1	255	200	‡Munford & White	230	−5	b2.6	2.4	1.6	36.4
‡‡	F.P.	—	177	149	‡NMW Computers	158	−2	g3.0	2.8	2.7	15.7
§95	F.P.	4/2	198	145	‡Resource Tech.10p	177	+2	—	—	—	34.0
§62½	F.P.	21/12	150	102	‡SlatersFoodPrds10p	137	.....	b2.0	3.8	2.1	14.4
§120	F.P.	—	125	105	‡Swindon Priv Hos £1	105	−1	—	—	—	—
§101½	F.P.	—	52	16	‡Tops Estates 10p	52	+7	—	—	—	—
§80	F.P.	—	87	55	††Voyager Pet. (UK)	55	.....	—	—	—	—
§150	F.P.	—	340	265	‡WightCollinsR-S10p	290	−5	bd2.75	3.3	1.4	32.4
—	F.P.	—	25	23	Yorks & Lancs. W'rrnts	25	+2	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price £	+ or −
¶¶	F.P.	—	108	102	AMEC 15% Uns. Ln. 1992	105¼	+½
¶¶	F.P.	—	90	90	Anglo-Nordic 10% Cnv. Uns. Ln. 1989	90	.....
97.504	£25	4/3	29½	15¾	BOC 12¼% Uns. Ln. 2012-17	16¾	+½
99.431	£20	10/4	21⅞	12¼	Birmingham 11⅛% Red. 2012	12¾	+½
96.374	£25	29/4	25¼	23	Bishopsgate Tst. 7-17% Stpd Deb 2023	23½	.....
¶	£10	—	11¼	11	East Surrey Water 7% Red. Pref. 1988	11	−¼
¶¶	F.P.	—	130	86	European Inv. Bk. 11% Ln. 2002	86¾	+¼
¶¶	F.P.	—	35p	30p	Jessel Toynbee 5.75% Red Cum. Pref.	35p	.....
99.799	£25	31/5	25½	22	London Shop 12.5% 1st Mt. Deb. 2018-23	23½	−½
—	—	—	99	99	Nationwide Bdg. Soc. 11⅞% Bds. 23/1/84	99	.....
98.13	£25	31/5	24¾	20	NatWest 12½% Sub. ord Uns Ln. 2004	21¼	+½
‡97.174	£25	—	24¼	22	Pearson (S) 12% Uns. Ln. 2007	23	.....
‡99.799	£30	25/2	30¾	26½	Scottish Eastern Inv. Tst 12% Deb. 2012	27½	.....
96.55	£25	8/7	25⅝	23½	Sweden 13½% Ln. Stk. 2010	23½	.....
¶¶	F.P.	18/2	90	85	Transcont. 9% Cnv.Ret.Uns.Ln.Nts.1993	88	.....

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982/3 High	1982/3 Low	Stock	Closing price p	+ or −
26	F.P.	26/1	18/2	214	94	Arlen Elec.	212	−2
90	F.P.	28/1	18/2	116	108	Bellway	116	+1
50	Nil	8/2	9/3	5pm	2pm	Cluff Oil 'B'	2pm	.....
60	F.P.	14/1	11/2	75	65	ICL	75	+2
45	Nil	—	—	9pm	5pm	LOP	9pm	+1½
95	Nil	7/3	21/3	24pm	13pm	NSS News 10p	15pm	−2
58	Nil	3/2	29/4	5pm	3pm	Stakis 10p	5pm	.....
470	F.P.	11/1	11/3	595	525	Wolseley-Hughes	560	.....

Renunciation date usually last day for dealing free of stamp duty. Fr French Francs. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part of capital: cover based on dividend on full capital. *g* Assumed dividend and yield. *t* Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. *u* Forecast dividend: cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. ⊕ Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ‡ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. ◆ Merger bid or reorganisation in progress. M Dividend and yield based on prospectus or other official estimates for 1983-84.

FINANCIAL TIMES STOCK INDICES

	Jan. 28	Jan. 27	Jan. 26	Jan. 25	Jan. 24	Jan. 21	A year ago
Government Secs.	77.57	77.16	77.55	77.21	77.00	78.34	65.16
Fixed Interest	79.71	79.63	79.88	79.66	79.74	80.61	65.80
Industrial Ord.	620.0	611.6	614.4	614.2	605.7	619.4	579.8
Gold Mines	649.2	639.2	637.3	613.4	601.3	640.0	293.5
Ord. Div. Yield	4.86	4.91	4.87	4.88	4.95	4.84	5.28
Earnings, Yld.% (full)	10.44	10.55	10.47	10.49	10.63	10.40	9.48
P/E Ratio (net) (*)	11.50	11.38	11.46	11.44	11.29	11.56	12.48
Total bargains	22,052	22,595	22,568	25,009	25,470	23,550	20,580
Equity turnover £m.	—	239.42	186.72	198.40	205.69	301.62	180.9
Equity bargains	—	20,265	18,182	18,985	21,654	20,302	16,029
Shares traded (ml)	—	156.2	142.1	113.8	129.6	175.9	138.1

10 am 618.6. 11 am 617.5. Noon 617.0. 1 pm 617.0. 2 pm 618.9. 3 pm 618.9.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil=10.67.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.54 (5/11)	61.59 (8/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.79 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	637.4 (12/11)	518.1 (5/1/82)	637.4 (12/11/82)	49.4 (26/6/40)
Gold Mines	664.2 (18/1/83)	181.2 (22/6)	664.2 (18/1/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 27	Jan. 26
—Daily Gilt Edged Bargains	154.0	175.3
Equities Bargains	131.3	117.4
Value	483.9	351.4
5-day Avrge Gilt-Edged Bargains	175.6	176.4
Equities Bargains	128.6	127.6
Value	455.8	456.4

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982, based on Thursday, January 27, 1983.

Gold Mines Index	+14.86	Shipping and Transport	+ 2.33
Insurance (Composite)	+14.62	Other Groups	+ 2.27
Tobaccos	+11.69	Oils	+ 1.86
Insurance Brokers	+11.59	All-share Index	+ 1.80
Mining Finance	+11.29	Building Materials	+ 1.78
Investment Trusts	+ 9.56	Chemicals	+ 1.70
Newspapers, Publishing	+ 9.50	Mechanical Engineering	+ 1.28
Overseas Traders	+ 8.76	Property	+ 1.25
Health and H'sehold Products	+ 8.58	Consumer Group	+ 1.16
Metals and Metal Forming	+ 8.48	Motors	+ 1.12
Office Equipment	+ 7.81	Contracting, Construction	+ 0.49
Packaging and Paper	+7.37	Brewers and Distillers	+ 0.44
Merchant Banks	+ 7.04	500 Share Index	− 0.05
Financial Group	+ 6.31	Industrial Group	− 0.37
Other Consumer	+ 5.96	Insurance	− 0.57
Banks	+ 5.87	Food Retailing	− 1.45
Other Industrial Materials	+ 4.99	Capital Goods	− 3.69
Food Manufacturing	+ 4.50	Discount Houses	− 5.46
Textiles	+ 3.43	Engineering Contractors	− 8.89
Leisure	+ 2.69	Stores	− 8.54
		Electricals	−10.31

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan 24	Feb 4	May 5	May 16
Feb 7	Feb 18	May 19	May 31
Feb 28	Mar 11	June 2	June 13

For rate indications see end of Share Information Service

Stocks favoured for the call included Strata, Hampton Trust, Staffordshire Potteries, First National Finance, Premier Oil, North Kalgurli, London and Liverpool, John Brown, Barker and Dobson, Arlen, Balmoral, Britoil, South-west Consolidated Resources, Helene of London, Tricentrol and Phicom. No puts or doubles were reported.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	84	1	12	240	168	77
Corpns. Dom. & Foreign Bonds	8	2	67	66	104	216
Industrials	385	166	795	1,348	1,498	3,789
Financial & Props.	196	32	288	610	563	1,397
Oils	33	21	55	85	165	294
Plantations	5	1	16	16	21	73
Mines	73	20	58	281	194	280
Others	80	28	38	312	289	182
Totals	864	271	1,329	2,957	3,003	6,308

NEW HIGHS AND LOWS FOR 1982/83

NEW HIGHS (145)

AMERICANS (8)
Abbott Labs., Amdahl, American Express, American T. & T., Brunswick Corp., I.U. International, Quaker Oats, Utd. Technology

BANKS (3)
Hill Samuel, NatWest, Cie Bancaire

BEERS (1)
Guinness (A.)

BUILDINGS (4)
Breedon Lime, Higgs & Hill, Marchwiel, Trent Hldgs.

CHEMICALS (8)
Akzo, Ciba Geigy 8pc 1981-94, Do. 8½pc '92-95, Croda Int. Dfd., ICI, Novo Inds. A/S B, Plysu, Scot. Ag. Inds.

STORES (5)
Aquascutum, Ellis & Goldstein, Forminster, Helene of London, Wearwell

ELECTRICALS (14)
A.B. Electronic, Amstrad, Arlen, Audiotronic, Cray Electronics, Electro-Protective, Fobel, Motorola, Murray Tech. Invs., Phicom, Philips Lamps, Scan Data, Security Centres, Security Tag Systems

ENGINEERING (5)
Adwest, Babcock Int., Black & Decker, McKechnie Brothers, Telfos

FOODS (8)
Barrow Milling, British Vending, Brooke Bond, Hillards, Matthews (B.), Nabisco Brands, Nichols (Vimto), Tate & Lyle

INDUSTRIALS (21)
Blundell-Permoglaze, Brook St. Bureau, Cont. Group, Eastern Produce, Eng. China Clays, Erskine House, Ferguson Ind., Gartons, Heworth Ceramic, Hollis Brothers, Ingall Inds., Lon. & Liverpool, Macfarlane, Norcros, Nu-Swift, Ovenstone, P.H. Inds., Polly Peck, Rexmore, Sharna Ware, Talbex

INSURANCES (5)
Gen. Accident, G.R.E., Pearl, Phoenix, Royal

LEISURE (2)
Riley Leisure, SelecTV

NEWSPAPERS (1)
Fleet Hldgs.

PAPER (2)
Hunterprint, L.C.A.

PROPERTY (6)
Cap. & Counties, Green (R.), Hammerson A, Trust of Prop., Warner Estate, York Mount

SOUTH AFRICANS (1)
Tiger Oats

TOBACCOS (2)
BAT Inds., Imperial

TRUSTS (36)
Aberdeen Trust, Alliance Trust, Anglo-Int. Asset, Argo Inv., City & Com. Cap., Elect. & Gen., Eng. & N.Y. Trust, F. & C. Eurotrust, Fundinvest Cap., G.T. Global Rec., General Funds, Do. Cnv., Gen. Scottish, Glasgow Stkhldrs., Greenfriar, Investors Cap., Lake View Inv., Mid Wynd. Inv., Mont. Boston Wts., Murray Caledonian, Murray Glendevon, Northern American, Raeburn, River Plate Defd., St. Andrew Trust, Scot. Am. Inv., Scot. Utd. Inv., TR Australia Trust, Tribune Inv., U.S. Deb. Corp., Yeoman, Yorks. & Lancs., Young Co's Inv., Exco Int., Mercantile House, Oceana Cons. Inv.

PLANTATIONS (2)
Cons. Plants, Kuala Kepong, Lawrie Plants.

MINES (10)
Durban Deep, East Dagga., Marievale, St. Helena, Transvaal Cons. Ld., ACM, CRA, Gold Min. Kalgoorlie, Keywest Exp., Killinghall

NEW LOWS (10)

ELECTRICALS (1)
Ie-Tech.

ENGINEERING (1)
Davy Corp.

FOODS (1)
Bassett Foods

INDUSTRIALS (2)
Ashley Ind. Trust, Bridon

MOTORS (1)
Abbey Panels

PAPER (2)
Chapman Inds., Cropper (James)

TEXTILES (1)
Dixon (David)

OIL & GAS (1)
Credo Pet.

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
Lon & Liv Tst	174	505	+35	Combined Tech	82	71	—
Bio-Isolates	99	285	− 5	Erskine House	80	109	+43
BAT Inds.	94	703	− 1	Mercantile Hse	79	725	+15
ICI	90	370	− 8	LASMO	78	270	−50
Plessey	89	550	−45	Mellins	78	198	+22
Racal Elec	58	450	−18	Wight Clins RS	76	293	− 7†
Shell Trans	84	408	−38	De Beers Dfd	72	440	− 3

† Based on Monday's opening price

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Lon & Liv Tst	49	505	+ 5	Utd Guarantee	23	29	+ 8
Helene of Lon	40	23½	+ 9½	Mellins	22	196	− 2
Audiotronic	30	30	+ 7	Bio-Isolates	21	285	− 5
Arlen Elec	28	214	+10	Cns Gold Flds	21	627	+ 9
Sothebys	25	440	+20	Erskine House	21	109	+ 3
UDS	24	103	+ 3	ICI	20	370	− 2
Phicom	23	28	+ 4	LASMO	20	270	−10

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Acorn Secs	76	+12	Green (R.)	132	+17
Arlen Elec	217	+ 3	Helene of London	29	+ 5½
Berisford (S.&W.)	200	− 1	Ibstock Johnsen	97	− 1
Carr Boyd	138	− 6	ICI	396	+26
Enterprise Gold	61	+ 2	Lon & Liverpool	533	+28
Erskine House	137	+22	Security Centres	338	+10

Continental and Industrial

Total revenue of Continental and Industrial Trust for the six months to November 30 1982 edged ahead from £2.1m to £2.16m, with a fall in franked income from £805,003 to £876,231 being offset by an unfranked contribution of £1.28m against £1.2m.

Expenses and interest took £211,480 (£188,497).

Peko-Wallsend share placing

AUSTRALIA'S Peko-Wallsend mining group has eased its strained financial situation by the private placement of 3m shares to raise A$19.5m. The shares were placed with institutional investors.

The placing price was A$6.50 (about 412p). Peko-Wallsend shares fell 10p to 436p in London yesterday.

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.	215.69		—	—
Managed Inv. Fd.	146.67	154.39	—	—
Property Fd.	144.54	152.15	—	—
Fixed Interest Fd.	137.24	144.47	—	—
Cash Fd.	130.49	137.36	—	—
Income Fd.	141.81	149.28	—	—
Extra Income Fd.	132.99	139.99	—	—
Worldwide Growth Fd.	186.72	196.55	—	—
Balanced Fd.	165.85	174.08	—	—
Smlr Co's & Recvy Fd	160.05	168.48	—	—
Int. Technology Fd.	207.87	218.82	—	—
Nth. Amer. & Gen. Fd.	131.42	138.34	—	—
Energy Int. Fd.	84.59	89.05	—	—
Pacific Basin Fund	113.27	119.24	—	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Equity	91.3	96.2	-2.4	—
International	102.2	107.6	+3.7	—
Property	97.5	102.6	+0.3	—
Deposit	95.4	100.4	+0.1	—
Fixed Interest	93.1	98.0	+0.5	—
Managed	96.6	101.6	+0.5	—
Equity Pens Cap.	90.1	94.9	-3.0	—
Intnl. Pens. Cap.	103.4	108.8	+4.8	—
Property Pens Cap	97.7	102.8	+0.2	—
Deposit Pens Cap	95.3	100.3	—	—
Fixed Int Pens Cap	92.6	97.4	-0.8	—
Managed Pens Cap	96.6	101.7	+0.7	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth. Jan 5	83.2		—	—
Rtmt. Fed. Jan 7	204.4		—	—
Managed Pen Fund	167.0	175.8	—	—
Property Pen Fund	109.5	115.3	—	—
Index Lnkd Pen Fund	119.8	126.2	—	—
Managed	105.3	110.9	—	—
Property	97.7	102.9	+0.1	—
Gilt and Fixed Interest	93.9	98.9	—	—
Index-Linked	104.0	109.5	—	—
Equity	107.4	113.1	—	—
Cash	97.6	102.8	+0.1	—
Midland Bk. Unit Tst.	103.3	108.8	+1.3	—
Midland Bank Intnl.	120.1	126.5	+0.9	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£31.56	—	+0.26	—
Property Units	£16.75	—	-0.01	—
Equity Bond/Exec	£20.75	21.96	+0.77	—
Prop. Bond/Exec	£21.90	23.17	-0.02	—
Bal. Bd./Exec/Unit	£21.34	22.58	+0.02	—
2nd Equity Acc	162.7	172.2	+1.3	—
2nd High Inc/Acc	114.6	121.3	+0.2	—
2nd Property Acc	168.0	177.8	—	—
2nd Managed Acc	156.3	165.4	+0.1	—
2nd Deposit Acc	138.3	146.3	—	—
2nd Gilt Acc	132.7	140.4	-0.7	—
2nd American Acc	168.9	178.7	+4.0	—
2nd Intl Money Acc	137.2	145.2	—	—
2nd Index Acc	98.9	104.7	—	—
2nd Eq. Pens./Acc	216.3	228.9	+1.7	—
2nd Hi Inc Pens/Acc	117.0	123.8	+0.1	—
2nd Prp. Pens/Acc	207.2	219.3	-0.1	—
2nd Mgd. Pens/Acc	193.4	204.7	+0.1	—
2nd Dep. Pens/Acc	175.9	186.1	—	—
Gilt Pens/Acc	167.7	177.5	-0.8	—
2nd Am. Pens/Acc	215.4	227.9	+6.0	—
2nd Int. Money Pens/Acc	161.5	170.9	—	—
2nd Index Pens./Acc	100.1	105.9	—	—
L & E S.I.F.	66.5	70.5	—	—
L & E S.I.F. 2	45.0	48.0	—	—

Current value January 27.

Capital Life Assurance
Coniston House, Chapel Ash W'ton. 0902 28511

Key Invest. Fd.	172.16		—	—
Pacemaker Inv. Fd.	105.27		—	—

Chieftain Assurance Funds
11 New Street, EC2M 4TP. 01-283 3933

Managed Growth	181.92	191.50	+0.45	—
Managed Income	81.18	85.46	+0.52	—
International (z)	109.27	115.03	+0.60	—
High Income	101.11	106.44	+0.57	—
Income & Growth	98.50	103.69	+0.66	—
Basic Resources	133.17	140.18	+0.31	—
American (z)	162.46	171.01	+2.27	—
Far Eastern (z)	160.56	169.01	+0.63	—
Cash	131.79	138.73	—	—

City of Westminster Assurance
Sentry House, 500, Avebury Boulevard, Central Milton Keynes MK9 2LA. 0908 606101

	Series (2)			(1)
West Prop. Fund	95.9	101.0	—	91.7
Managed Fund	245.9	258.9	+0.4	242.9
Equity Fund	100.3	105.6	+0.5	98.3
Farmland Fund	75.1	79.1	—	71.7
Money Fund	173.1	182.3	+0.1	174.4
Gilt Fund	101.6	107.0	+0.2	102.4
Black Gold Fd.	78.1	82.3	-0.3	78.1
PULA Fund	228.9	240.9	—	228.9
Soc. Prop. Units	81.8	85.8	—	81.8
Soc. First Unit Fund	228.1	239.5	-0.1	228.1
PBR Fund	119.7	126.9	+0.7	119.9
Perform Units	306.1	—	+0.6	

Fund currently closed to new investment.
For Pension Prices please phone 0908 606101
Series (2) Prices are for policies issued after 1.1.1980.
Series (1) These are bid prices for earlier policies.

Clerical Medical & Gen. Life Ass. Soc.
15, St. James's Sq., SW1Y 4LQ. 01-930 5474
Executive Investment Pension Plan

Cash Fund Init.	95.1	100.2	+0.1	—
Do. Accum	95.4	100.5	+0.2	—
Mixed Fund Init	95.3	100.4	-1.2	—
Do. Accum	95.6	100.7	-1.2	—
Fixed Interest Fd Init	89.7	94.5	-2.2	—
Do. Accum	90.0	94.8	-2.1	—
UK Equity Fund Init	97.1	102.3	-1.1	—
Do. Accum	97.5	102.7	-1.0	—
Property Fund Init	95.1	100.2	+0.1	—
Do. Accum	95.4	100.5	+0.2	—
Overseas Fund Init	98.6	103.8	-1.1	—
Do. Accum	98.9	104.2	-0.9	—
Index-Linked Fd Init	97.9	103.1	+0.1	—
Do. Accum	98.2	103.4	+0.2	—

Prices Jan. 26. Unit dealings on Wednesday

Clerical Medical Managed Funds Ltd.
15 St James's Square, SW1Y 4LQ 01-930 5474

Cash Fund	116.7	116.7	+0.2	—
Mixed Fund	137.4	141.5	-1.6	—
Fixed Interest Fund	140.6	142.7	-3.1	—
UK Equity Fund	148.1	145.7	-1.4	—
Property Fund	108.5	113.4	+0.2	—
Overseas Fund	146.8	153.3	-1.4	—
Index Linked Fund	110.2	111.6	+0.3	—

Prices Jan. 26. Unit dealings on Wednesday.

Commercial Union Group
St. Helen's, 1, Undershaft, EC3. 01-283 7500

Vr Anc Jan 29		123.52	-2.12	—
Vr Ann Feb 4		29.55	-0.37	—

"Hand in Hand" Investment Bond.

Cash	116.2	122.4	—	—
Fixed Interest	127.5	134.3	—	—
Property	133.0	140.0	—	—
Nat West Unit Trust	160.4	168.9	—	—

Confederation Life Insurance Co.
50, Chancery Lane, WC2A 1HE. 01-242 0282

Equity Fund	321.9	338.8	—	—
Managed Fund	325.2	342.2	—	—
PIP Fund		803.6	—	—
Psnl. Pen. Mngd	168.2	177.0	+6.3	—
Staffguard Man. Pen.	168.2	177.0	+6.3	—
Group Mngd. Pen.	420.2	442.6	—	—
Fixed Int. Pen.	362.8	394.7	—	—
Index Linked Pen.	100.0	110.5	—	—
Equity Pension	599.0	614.9	—	—
Property Pension	335.5	348.0	—	—
International Pen.	132.1	135.4	—	—
Cash Pension		120.1	—	—

Continental Life Insurance PLC
64/70 High St., Croydon CR0 9XN 01-680 5225

Managed Funds Cap.	145.5	153.2	—	—
Pensions Mngd Fd Cap.	128.7	127.3	—	—

Cornhill Insurance PLC
57 Ladymead, Guildford. 0483 68161

Equity Fd Jan 26	127.5	128.0	-1.0	—
Fixed Int. Jan 26	115.0	121.9	-0.5	—
Man. Growth Jan 26	299.0	315.0	-1.5	—
Money Fd Jan 26	111.5	117.5	—	—
Cap Fd Jan 15		202.8	—	—
G. & S. Spec. Fd.		86.0	—	—

Credit & Commerce Insurance Co. (UK)
CCI Hse., Heneage Lane, EC3A 5DQ. 01-283 2411

CCI Deposit Fnd.	115.0	122.0	—	—
CCI Equity Fnd.	135.0	143.0	—	—
CCI Fixed Int. Fnd.	139.0	147.0	—	—
CCI Mngd. Fnd.	198.8	210.0	—	—
CCI Blue Chip Fd.	108.0	115.0	—	—
CCI Intl. Fd.	108.0	115.0	—	—
CCI High Income Fd.	107.0	113.0	—	—
CCI Property Fd.	93.0	99.0	—	—

Crescent Life Assurance Co. Ltd.
14 New Bridge Street, EC4V 6AU 01-353 8931

Managed Fund	121.7	128.2	+1.1	—
Managed Inc.	118.0	124.3	+1.6	—
UK Equity	125.8	132.5	+1.7	—
Property	105.4	111.1	—	—
Money Market	107.0	112.8	—	—
Fixed Int.	116.0	122.2	+0.6	—
Tokyo	110.3	116.2	+0.5	—
American	133.4	140.5	+2.9	—
International	108.5	114.3	+1.1	—
Reserves	115.6	121.8	+1.5	—
High Distribution	111.9	117.8	+1.0	—
Capital	132.7	139.8	+2.1	—

Crown Life
Crown Life Hse., Woking GU21 1XW 04862 5033

Dist. Fd. Incm.	127.5	134.2	+1.4	8.50
Mang'd Fd. Acc.	176.2	185.4	+1.5	—
Mang'd Fd. Init.	152.8	160.8	+1.3	—
Mang'd. Fd. Incm.	139.6	146.9	+1.0	7.50
Property Fd. Acc.	136.4	143.7	—	—
Property Fd Init	118.5	124.7	—	—
Property Fd. Incm.	104.9	110.4	—	4.50
Fixed Int. Fd. Acc.	154.8	162.9	+0.2	—
Fixed Int. Fd. Incm.	109.5	115.0	+0.2	11.00
Equity Fd. Acc.	171.0	182.1	+1.5	—
Equity Fd. Init.	150.8	158.7	+1.4	—
Equity Fd. Incm.	144.7	152.3	+1.3	6.00
Inv. Tst. Fd. Acc.	185.8	195.5	+1.7	—
Inv. Tst. Fd. Init.	161.5	170.0	+1.4	—
Inv. Tst. Fd. Incm.	155.9	164.3	+1.4	3.50
Money Fd. Acc.	137.1	144.3	—	—
Money Fd. Incm.	93.9	98.8	—	10.50
Inter'l. Fd. Acc.	168.1	176.9	+2.6	—
Inter'l. Fd. Incm.	145.6	153.2	+2.5	3.50
High Income Acc.	135.6	142.7	+2.2	—
High Income Inc.	109.5	115.2	+1.8	9.20
PE Coronet Fd.	154.1	164.3	—	—
Brewin Equity Fd.	188.7	198.6	—	—
Strategic Inv. Fd.	128.4	135.1	—	—
Lincs & Gen. Fd.	130.4	137.2	—	—
Sage Fd.	107.1	112.7	—	—
Heritage Fd.	112.0	117.8	—	—
DBS Managed	118.9	125.1	—	—
Crown. Brit. Inv. A		2.319	—	—
Pens. Mixed. Fd.	174.0	180.3	—	—
Pens. Mang'd. Acc.	129.3	136.1	—	—
Pens. Mang'd. Init.	122.4	128.8	—	—
Pens. Equity Acc.	131.7	138.6	—	—
Pens. Equity Init.	123.7	130.2	—	—
Pens. Fxd. Int. Acc.	121.8	128.2	—	—
Pens. Fxd. Int. Init.	115.3	121.3	—	—
Pens. Money Acc.	115.9	121.9	—	—
Pens. Money Init.	109.4	115.1	—	—

Crusader Insurance PLC
Tower Hse, 38 Trinity Sq, EC3N 4DJ 488 2323

Growth Prop Jan 4	106.0	116.8	—	—
Mgd Pens Jan 11	134.68	141.58	—	—

Eagle Star Insur./Midland Assur.
1, Threadneedle St., EC2. 01-588 1212

Eagle/Mid. Units	92.2	95.6	+1.2	5.33

Equity & Law Life Ass. Soc. Ltd.
Amersham Road, High Wycombe. 0494 33377

UK Equities Fund	223.9	235.6	+2.1	—
Higher Inc. Fund	253.1	262.2	+1.6	—
Property Fund	199.1	209.5	—	—
Fixed Interest Fund	163.5	172.1	+0.3	—
Index Linked Secs Fund	104.4	109.8	+0.2	—
Gtd. Deposit Fund	140.5	147.8	—	—
Nth. America Fund	163.2	171.7	+1.7	—
Far East Fund	107.6	113.2	+1.1	—
International Fund	136.1	143.3	+1.4	—
Mixed Fund	208.4	218.9	+1.2	—

Equity & Law (Managed Funds) Ltd.
Amersham Road, High Wycombe. 0494 33377

Ind. Pen. Equity	278.5	290.0	—	—
Ind. Pen. Property	152.6	159.2	—	—
Ind. Pen. Fixed Int.	160.0	168.4	—	—
Ind. Pen. Indx Lk. Scs.	117.1	123.2	—	—
Ind. Pen. Overseas	215.0	226.3	—	—
Ind. Pen. Cash	144.0	151.5	—	—
Ind. Pen. Balanced	183.1	192.7	—	—
Ind. Pen. Dep. Admin.	144.9	152.6	—	—

Prices at January 13. Next settlement February 10.
Group Pension Funds—Prices Available On Request.

Family Assurance Society
48, East Street, Horsham. 0403 50255

Family A. Managed	193.7	197.7	—	—
Family B. Managed	104.6	106.3	—	—
Family C. Brit.	83.8	84.9	—	—
Family D. Fixed Int.	103.9	107.8	—	—
Family Capital Mngd.	[illegible]	[illegible]	—	—
Family Brit. II	95.9	98.0	—	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	119.3	125.6	-0.8	—
GT Pln High Yld Fnd	103.4	108.9	+2.2	—
GT Pln Far East Fnd	96.4	101.5	+1.2	—
GT Pln N Am Fund	146.2	153.9	+4.0	—
GT Pln UK&G.E. Fnd	117.8	124.1	+1.4	—
GT Pln Wrldwde Fnd	112.8	118.8	+4.5	—
GT Pension Bnd Fnd	124.2	130.8	-0.8	—
GT Pen High Yld Fd	115.2	121.3	+2.4	—
GT Pen Far East Fd	102.2	107.6	+2.1	—
GT Pen N. Am. Fd	178.4	187.8	+12.6	—
GT Pen UK & G.E. Fd	128.9	135.7	+1.8	—
GT Pen Worldwide Fd	118.9	125.2	+5.6	—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	154.5	162.8	—	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		220.3	+1.4	—
Portfolio Fd. Init.		187.7	+1.2	—
Portfolio Fd. Cap.		213.5	+1.4	—
Portfolio Man. Acc.	67.7	71.3	+2.5	—
Portfolio Man. Init.	60.2	63.4	+2.0	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		1,425	—	—
Landbank Secs.		64.03	—	—
Landbank Scs. Acc.	173.3	177.8	—	—
G. & S. Super Fd.		£10.734	—	—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101
Guardian Assurance

Property Bonds	298.6	311.0	—	—

GRE Linked Assurance Limited

Managed Initial	177.0	186.3	-0.9	—
Do. Accum.	193.3	203.5	-1.0	—
Equity Initial	223.7	235.5	-3.1	—
Do. Accum.	244.4	257.3	-3.3	—
Fixed Int. Initial	169.8	178.8	-0.8	—
Do. Accum.	185.5	195.3	-0.9	—
International Initial	180.2	189.6	+2.6	—
Do. Accum.	196.7	207.0	+2.7	—
Property Initial	121.2	127.6	—	—
Do. Accum.	132.2	139.2	—	—
Deposit Initial	119.6	125.9	—	—
Do. Accum.	130.6	137.5	—	—

GRE Pensions Management Ltd.

Pens. Managed Initial	169.4	178.3	-1.2	—
Pens. Managed Acc.	180.9	190.4	-1.2	—
Pens. Equity Initial	204.2	215.0	-1.1	—
Pens. Equity Acc.	218.0	229.5	+1.2	—
Pens. Fxd. Int. Initial	168.0	177.4	—	—
Pens. Fixed Int. Acc.	180.4	189.9	—	—
Pens. Int'l Initial	166.6	175.4	+2.1	—
Pens. Int'l. Acc.	177.9	187.3	+2.3	—
Pens. Prop. Initial	121.0	127.4	—	—
Pens. Prop. Acc.	129.0	135.8	—	—
Pens. Depos. Initial	130.0	136.8	—	—
Pens. Depos. Acc.	138.8	146.0	—	—

Hambro Life Assurance P.L.C.
Hambro Life Centre, Swindon SN1 1EL. 0793 28291

Fixed Int. Dep.	177.8	187.2	—	—
Equity	334.8	352.5	—	—
Property	240.1	252.8	—	—
Managed Cap.	265.6	279.6	—	—
Managed Acc.	307.1	323.3	—	—
Overseas	234.0	246.4	—	—
Gilt Edged	188.6	198.6	—	—
American Acc.	196.5	206.7	—	—
American Man	109.0	114.8	—	—
American Prop.	96.3	101.4	—	—
American Eq.	196.3	206.7	—	—
Pen.F.I.Dep.Cap	193.1	203.3	+0.8	—
Pen.F.I.Dep.Acc.	264.7	278.7	+1.1	—
Pen. Prop. Cap.	328.7	346.1	+0.4	—
Pen. Prop. Acc.	497.4	523.6	+1.4	—
Pen. Man. Cap	370.5	390.1	+0.2	—
Pen. Man. Acc.	560.5	590.1	+1.1	—
Pen. Gilt Edg. Cap.	201.5	212.2	-3.9	—
Pen. Gilt Edg. Acc.	268.1	282.3	-3.8	—
Pen. Eq. Cap	507.9	534.7	+3.2	—
Pen. Eq. Acc.	582.4	613.1	+4.4	—
Pen. B.S. Cap.	192.3	202.1	+1.2	—
Pen. B.S. Acc.	256.8	269.7	+2.9	—
Pen. D.A.F. Cap.		157.0	+0.8	—
Pen. D.A.F. Acc.		186.7	+1.4	—

Hearts of Oak Benefit Society
129, Kingsway, London, WC2B 6NF 01-404 0393

Property Fund	46.5	50.5	—	—
Managed Fund	120.0	127.0	—	—

Henderson Administration
11 Austin Friars, London, EC2. 01-588 3622

High Income Fd.	125.1	131.7	+0.8	—
Gilt Edged Fund	94.4	99.3	+0.3	—
Capital Growth Fund	129.5	136.4	+1.6	—
Technology	131.7	138.7	+0.9	—
Natural Resources	133.5	139.1	+1.5	—
Special Situations Fd.	163.3	171.9	+0.3	—
North American Fund	188.4	198.4	+4.2	—
Far East Fund	148.5	156.3	+1.6	—
Property Fund	112.1	118.0	—	—
Managed Fund	160.2	168.7	+2.8	—
Deposit Fund	121.5	127.4	—	—
Prime Resid. Prp.	109.7	109.2	—	—

Hill Samuel Life Assur. Ltd.
NLA Twr., Addiscombe Rd., Croy. 01-686 4355

Security Fund	129.8	138.4	+1.0	—
British Fund	123.3	129.8	+0.8	—
International Fund	146.0	153.7	+2.4	—
Dollar Fund	152.6	160.7	+2.2	—
Capital Fund	122.9	129.4	+1.2	—
Income Fund	131.9	138.9	+1.4	—
Property Series A	167.8	176.7	—	—
Property Units	275.0	289.8	—	—
Financial Fund	112.2	118.2	+1.4	—
Managed Series A	159.3	167.7	+0.8	—
Managed Series C	132.5	139.5	+0.7	—
Managed Units	275.2	289.7	+1.4	—
High Yield Fund	125.1	131.7	+1.5	—
Money Series A	137.3	144.6	—	—
Money Units	173.2	182.4	—	—
Equity Fund	155.5	163.7	+1.7	—
Fixed Int. Fund	144.9	152.6	+0.4	—
Indexed Sec. Fd.	104.6	110.2	-0.2	—
European Fund	124.9	131.6	+1.0	—
Natural Resources Fd.	129.1	135.9	+1.6	—
Far East Fund	159.3	167.7	+0.8	—
Smaller Cos.	131.4	138.4	+1.7	—
Spec. Sits Fund	136.6	143.8	+1.5	—
Mangd. Crncy. Fund	130.3	136.2	-0.2	—

Pension Fund Prices

Property Acc.	178.2	187.6	—	—
Property Cap.	151.9	159.9	—	—
Managed Acc.	297.6	313.3	—	—
Managed Cap.	249.5	262.6	—	—
Guaranteed Acc.	171.1	180.1	—	—
Guaranteed Cap.	154.4	162.6	—	—
Equity Acc.	204.6	215.4	—	—
Equity Cap.	173.8	183.0	—	—
Fixed Int. Acc.	188.9	198.9	—	—
Fixed Int. Cap.	161.3	169.8	—	—
Indexed Secs. Acc.	106.9	112.6	—	—
Indexed Secs. Cap.	101.3	106.7	—	—

Imperial Life Ass. Co. of Canada
Imperial House, Guildford. 571255

Growth Fd. Jan. 14	126.2	137.3	-0.1	—
PnMnFd Sr 3 Jan 21	134.4	146.1	-1.7	—
PnMnFd Sr Jan 4	134.4			

Unit Linked Portfolio

Managed Fund	147.2	155.0	-1.4	—
Fixed Int. Fd.	152.1	160.1	-2.0	—
Secure Cap Fd	135.3	142.6	+0.2	—
Equity Fund	179.0	188.5	-1.6	—
Property Fund	124.5	131.1	+1.0	—

Irish Life Assurance Co. Ltd.
Basildon House, 7/11 Moorgate, EC2. 01-606 8401

Property Modules	290.7	305.9	—	—
Property Modules Gth.	368.8	388.2	—	—
Poly. Mod. Gth. Ser. 2	172.1	181.1	—	—
Poly. Mod. Gth. Ser. 3	172.3	181.3	—	—
Blue Chip	[illegible]	[illegible]	—	—
Blue Chip Series 2	139.6	146.9	—	—
Blue Chip Series 3	135.4	142.5	—	—
High Income Series 3	[illegible]	[illegible]	—	—
Managed	364.7	[illegible]	—	—
Managed Series 2	146.6	154.3	—	—
Managed Series 3	142.0	149.5	—	—
Global Series 3	153.6	161.7	—	—
Exempt Managed	215.3	222.6	—	—
Poly. Pen. Ser. 2	104.9	110.4	—	—
Equity Pen. Series 2	140.9	148.3	—	—
Gilt Edged Pen. Ser. 2	166.2	174.9	—	—
Managed Pen. Ser. 2	144.7	152.3	—	—
Cash Pension Series 2	108.0	113.7	—	—

Langham Life Assur. Co. Ltd.
Langham Hse., Holmbrook Dr., NW4. 01-203 5211

Harvest Pen. Fund	135.6	142.7	—	—
Langham 'A' Plan	82.4	86.7	—	—
Prop. Bond	217.4	228.8	—	—
Wisp (SP) Man Fd	108.2	113.9	—	—

Legal & General (Unit Assur.) Ltd.
Kingswood House, Kingswood, Tadworth, Surrey KT20 6EU. Burgh Heath 53456

Cash Initial	116.8	123.0	—	—
Do. Accum.	138.1	145.4	+0.1	—
Equity Initial	256.0	269.5	+3.4	—
Do. Accum.	302.5	318.5	+4.1	—
Fixed Initial	190.3	200.4	+0.6	—
Do. Accum.	224.8	236.7	+0.5	—
Index Linked Gilt	105.2	110.8	+0.3	—
Do. Accum.	106.1	111.7	+0.4	—
Intl. Initial	165.0	173.7	+2.1	—
Do. Accum.	192.8	202.3	+2.6	—
Managed Initial	216.9	228.4	+2.1	—
Do. Accum.	256.3	269.8	+2.5	—
Property Initial	138.6	145.9	—	—
Do. Accum.	163.8	172.5	—	—
Exempt Cash Init.	150.8	158.8	+0.1	—
Do. Accum.	177.4	186.8	—	—
Exempt Eqty. Init.	332.7	350.3	+5.5	—
Do. Accum.	392.6	413.3	+6.4	—
Exempt Fixed Init.	239.5	252.2	+0.8	—
Do. Accum.	282.7	297.6	+0.9	—
Ex. Index Lnk. Gilt	106.6	112.2	+0.5	—
Do. Accum.	107.4	113.1	+0.5	—
Exempt Intl. Initial	109.4	115.2	+3.6	—
Do. Accum.	115.8	121.9	+3.4	—
Exempt Mngd. Init.	291.9	307.3	+3.0	—
Do. Accum.	344.5	362.7	+3.7	—
Exempt Prop. Init.	158.5	166.9	—	—
Do. Accum.	187.0	196.9	—	—
Sp. Deposit Init.	109.1	114.9	+0.1	9.50
Do. Accum.	114.2	120.3	—	9.50

Legal & General Prop. Fd. Mgrs. Ltd.
11, Queen Victoria St., EC4N 4TP. 01-248 9678

L & G Jan.	127.5	134.0	—	—

Next sub day Feb 1.

Life Assur. Co. of Pennsylvania
8, New Rd., Chatham, Kent. Medway 812348

LACOP Units	133.0	14.50	—	—

Lloyds Life Assurance
20, Clifton St., EC2A 4HX 01-920 0202

Multi Gwth. Jan 6	£23.3835		—	—
MltiGwth ACap Jan 6	227.2	239.2	—	—
Op 8 Prop Jan 20	231.0	243.2	—	—
Op 8 Equity Jan 20	247.0	260.0	—	—
Op 8 Hy Jan 20	227.0	239.0	—	—
Op 8 Man Jan 20	260.8	274.6	—	—
Op 8 Dep Jan 20	179.9	189.3	—	12.47
Op 8 Int. B Jan 20	[illegible]	[illegible]	—	—
Op 8 Inc D Jan 20	114.3	120.4	—	9.38
Op 8 In Mid Jan 20	144.7	152.4	—	11.20
Op 8 US$ Jan 20	128.6	135.4	—	—
Pens. B. Pr. Ac Jan 15	256.1	269.5	—	—
Pens. B. Pr. Cp Jan 15	187.5	197.4	—	—
Pens. B. Eq. Ac Jan 15	670.0	705.3	—	—
Pens. B. Eq. Cp Jan 15	490.4	516.3	—	—
Pens. B. FI Ac Jan 15	324.4	341.5	—	—
Pens. B. FI. Cp Jan 15	237.6	250.0	—	—
Pens. B. Mnd. Op Jan 15	442.9	466.3	—	—
Pens Mng Cp Jan 15	324.2	341.3	—	—
Pens. B. Dp. Ac Jan 15	260.7	274.5	—	—
Pens. B. Dp. Cap Jan 15	190.9	200.9	—	—

Britannia Funds—Series A

A Smlr Co's Jan 26	118.3	124.6	—	—
Am. Spec Sits Jan 26	136.5	143.7	—	—
Commodity Jan 26	81.2	85.5	—	—
Extra Inc. Jan 26	97.0	102.2	—	—
Far East Jan 26	97.7	102.9	—	—
Fin. Secs Jan 26	124.8	131.4	—	—
Gold & Gen Jan 26	107.2	112.9	—	—
Growth Jan 26	96.9	102.0	—	—
Inc. Gwth Jan 26	112.0	117.9	—	—
Int. Gwth Jan 26	99.0	104.2	—	—
Japan Prf Jan 26	98.6	103.8	—	—
Mineral Jan 26	119.9	126.3	—	—
Nat. High Jan 26	104.9	110.4	—	—
Props. Shs. Jan 26	83.2	87.6	—	—
Sp. Mkt. Jan 26	106.8	112.5	—	—
Recovery Jan 26	[illegible]	[illegible]	—	—
Small Co Jan 26	[illegible]	[illegible]	—	—
Unic. Energy Jan 26	55.8	58.8	—	—
World Tec Jan 26	124.2	130.8	—	—
Max Growth Jan 26	111.6	117.5	—	—
Gilt Jan 26	100.6	105.9	—	—
HK Perf Jan 26	83.0	87.4	—	—
Australian Gilt Jan 26	105.9	111.5	—	—

Britannia Funds—Series A

American Jan 25	139.1	146.3	—	—
British Jan 25	136.5	143.7	—	—
Commodity Jan 25	98.7	103.9	—	—
Extra Income Jan 25	96.7	101.8	—	—
Far Eastern Jan 25	[illegible]	[illegible]	—	—
High Income Jan 25	[illegible]	[illegible]	—	—
Income Jan 25	127.1	133.8	—	—
International Jan 25	134.7	141.8	—	—
Special Sits Jan 25	[illegible]	[illegible]	—	—
Gilt Jan 25	[illegible]	[illegible]	—	—
Japan Jan 25	[illegible]	[illegible]	—	—
UIT Sir Cos Jan 25	[illegible]	[illegible]	—	—
Max Growth Jan 25	[illegible]	[illegible]	—	—
Australian Jan 25	[illegible]	[illegible]	—	—
Oil and Energy Jan 25	[illegible]	[illegible]	—	—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	59.5	62.9	—	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading. 583511

Money Mngr. Jan. 15	54.1	58.3	—	—
MM Flexible Jan 1	44.5	47.0	—	—
Fixed Interest Jan 1	51.8	54.7	—	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179

Equity	196.7	202.6	—	—
Fixed Interest	148.0	148.7	—	—
Property	158.1	162.8	—	—
Deposit	137.1	[illegible]	—	—
Mixed	171.2	174.9	—	—
Indexed Stk.	113.6	114.0	—	—

London Life Managed Funds Ltd.

Equity (P.)	141.3	146.2	—	—
Fixed Int. (P.)	147.1	148.2	—	—
Property (P.)	115.2	118.7	—	—
Deposit (P.)	114.1	114.1	—	—
Mixed (P.)	136.7	139.2	—	—
Indexed Stock (P.)	119.4	120.2	—	—

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	254.9	—	+0.2	—
Invest. Tst. Fd. Acc.	282.4	—	+0.2	*8.0
Property Fund Cap	116.5	—	+0.1	—
Property Fund Acc.	119.7	—	+0.1	*3.1
Flexible Fund Cap.	174.9	—	-1.0	—
Flexible Fund Acc.	177.6	—	-1.0	*2.4
Fixed Int. Fd. Cap.	128.6	—	-1.5	—
Fixed Int. Fd. Acc.	132.6	—	-1.5	—
Gtd. Deposit Fd. Cap.	136.7	—	—	—
Gtd. Deposit Fd. Acc.	139.9	—	—	—
Equity Fund Cap.	130.3	—	-0.5	—
Equity Fund Acc.	133.7	—	+1.3	—
International Fd. Cap.	128.4	—	—	—
International Fd. Acc.	131.7	—	+1.4	—
Capital Gwth. Fd.	368.6	—	-0.8	—
Moneymaker Fund	151.1	—	-1.0	—
Exempt Inv Tst Cap	352.3	—	+0.2	—
Exempt Inv Tst Acc	352.6	—	+0.3	—
Exempt Inv Tst NS	353.9	—	+0.3	*4.1
Exempt Prty Cap	182.7	—	+0.5	—
Exempt Prty Acc	183.4	—	+0.4	—
Exempt Prty NS	183.3	—	+0.4	*2.1
Exempt Flex Cap	221.0	—	-1.5	—
Exempt Flex Acc	221.8	—	-1.5	—
Exempt Flex NS	221.7	—	-1.4	*2.2
Exempt Equity Cap	100.7	—	-0.7	—
Exempt Equity Acc	101.1	—	-0.7	—
Exempt Fxd Int Cap	95.1	—	—	—
Exempt Fxd Int Acc	94.6	—	-0.8	—
Exempt Gtd Dep Cap	100.4	—	—	—
Exempt Gtd Dep Acc	100.8	—	—	—

*Addition to price where reduced mngt. charges apply.

M & G Group
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588

American Fund Bond	111.3	116.8	+1.8	—
American Rec. Bond	154.7	162.8	+1.8	—
Australasia Bond	97.4	102.6	+1.4	—
Commodity Bond	106.5	111.9	+0.6	—
Convert Deposit Bond	117.7	120.0	+0.1	—
Equity Bond (Acc)	246.6	259.0	+0.4	—
Extra Yield Fd. Bond	123.4	129.7	+0.1	—
Family Bonds		350.7	—	—
Far Eastern Bond	100.3	105.6	+1.1	—
Gilt Bond	161.0	169.2	-1.9	—
High Yield Bond	108.2	113.7	—	8.32
Index-Linked Gt Bd	103.3	[illegible]	-0.1	—
International Bond	179.7	188.6	+1.7	—
Japan Fund Bond	71.4	75.1	+0.3	—
Managed Bond	251.9	263.4	+0.3	—
Property Bond	243.8	256.3	-0.1	—
Recovery Fund Bond	160.2	168.4	+0.3	—

Flexible Pension Fund price January 25.

American (Cap.)	195.5	205.8	—	—
Do. (Accum.)	226.1	238.1	—	—
Deposit (Cap.)	124.0	130.5	—	—
Do. (Accum.)	144.7	152.3	—	—
Equity (Cap.)	165.2	173.9	—	—
Do. (Accum.)	190.1	200.1	—	—
Fixed Interest (Cap.)	[illegible]	[illegible]	—	—
Do. (Accum.)	[illegible]	[illegible]	—	—
Index Linked Gt (Cap)	[illegible]	[illegible]	—	—
Do (Accum)	[illegible]	[illegible]	—	—
Managed (Cap.)	[illegible]	[illegible]	—	—
Do. (Accum.)	[illegible]	[illegible]	—	—
PPP Fund (Cap.)	[illegible]	[illegible]	—	—
Do. (Accum.)	134.4	141.5	—	—
Pacific (Cap.)	167.8	176.6	—	—
Do. (Accum.)	194.6	204.8	—	—
Property (Cap.)	121.2	127.6	—	—
Do. (Accum.)	141.4	148.8	—	—
Persnl. Pension		529.4	—	—

Manufacturers Life Insurance Co.
St. George's Way, Stevenage. 0438 56101

Managed	206.9	217.8	-3.2	—
Property	[illegible]	[illegible]	[illegible]	—
Equity	[illegible]	[illegible]	[illegible]	—
Gilt Edged	[illegible]	[illegible]	[illegible]	—
Deposit	[illegible]	[illegible]	[illegible]	—
Investment	[illegible]	[illegible]	[illegible]	—
International	167.5	176.3	-0.3	—

Pension Fund Prices

Managed Init.		140.5	—	—
Do. Accum.		147.1	—	—
Property Init.		118.1	—	—
Do. Accum.		122.8	—	—
Equity Init.		140.1	—	—
Do. Accum.		148.5	—	—
Gilt-Edged Init.		141.7	—	—
Do. Accum.		147.4	—	—
Guaranteed Init.		110.1	—	—
Do. Accum.		114.6	—	—
International Init.		171.9	—	—
Do. Accum.		178.2	—	—
Index Lk. Gilt Init.		118.5	—	—
Do. Accum.		123.2	—	—

Merchant Investors Assurance
Leon House, 233 High St., Croydon 01-686 9171

Property		261.5	+0.1	—
Property Pens.		382.4	+0.1	—
Equity		98.2	-1.2	—
Equity Pens.		341.1	-4.4	—
Money Market		218.1	-2.1	—
Money Mkt. Pens.		301.8	-3.2	—
Deposit		141.4	+0.3	—
Deposit Pens.		232.2	+0.5	—
Managed		192.3	-1.9	—
Managed Pens.		284.4	-2.8	—
Intl. Equity		187.1	+0.2	—
Do. Pens.		233.5	+0.2	—
Intl. Managed		177.8	+0.7	—
Do. Pens.		207.4	+0.1	—
North American		117.6	+3.9	—
Do. Pens.		[illegible]	+0.2	—
Far East		105.0	+1.9	—
Do. Pens.		109.1	+2.2	—
Intnl. Currency		125.5	+0.7	—
Do. Pens.		142.9	+1.2	—
Index Linked		112.9	+0.1	—

Multiple Health and Life Assr. Co. Ltd.
Stephenson House, Brunel Centre, Bletchley, Milton Keynes. 0908 641272

Chrthse. Energy		60.0	—	—
Magna Bld. Soc.		189.5	—	—
Magna Managed		212.9	—	—
Pens. Mngd. Acc.	257.7	[illegible]	—	—
Pens. Gilt. Dep. Acc.	24.2	25.5	—	—

NEL Pensions Ltd.
Milton Court, Dorking, Surrey. 0306 887766

Nelex Eq. Cap	142.9	150.4	-0.6	—
Nelex Eq. Accum.	226.1	237.9	—	—
Nelex Gilt+F.I. Cap.	71.2	74.9	—	—
Nelex Gilt+F.I. Acc.	95.7	100.7	—	—
Nelex Gilt Inc Cap	[illegible]	84.9	—	—
Nelex Gilt Inc Acc	100.6	105.9	—	—
Nelex Managed Cap.	64.3	67.6	—	—
Nelex Managed Acc.	82.3	86.6	—	—
Nelex Deposit Cap.	66.2	69.6	—	—
Nelex Deposit Acc.	81.0	85.2	—	—
Nelex Int. Fxd. Int. Cap.	66.1	69.5	—	—
Nelex Int. Fxd. Int. Acc.	76.8	80.8	—	—
Nel Indexd Lk. Secs Cap	49.8	52.4	—	—
Nel Indexd Lk. Secs Acc	54.4	57.2	—	—

Next sub day Feb 25.

National Provident Institution
48, Gracechurch St., EC3P 3HH. 01-623 4200

Managed	129.2	136.1	+0.8	—
UK Equity	126.3	133.0	+0.8	—
Overseas Eq.	121.1	127.5	+1.6	—
American	104.1	109.6	+0.5	—
Far East	104.2	109.7	-0.5	—
Property	102.4	107.8	+0.1	—
Fixed Int.	133.0	140.1	+0.3	—
Indexed Gilt	104.0	109.5	+0.2	—
Deposit	102.5	107.9	—	—

Pension Fund Prices

Man. Initial	123.1	129.6	+0.6	—
Man.	127.6	134.4	+0.5	—
UK Eq. Initial	124.3	130.9	+1.0	—
UK Eq.	127.9	134.7	+1.0	—
Overseas Eq. Initial	134.0	141.1	+0.1	—
Overseas Eq.	137.9	145.2	+0.1	—
Americas Initial	142.8	150.4	+0.6	—
Americas	146.8	154.6	+0.6	—
Far East Initial	124.3	130.9	-0.7	—
Far East	128.0	134.8	-0.7	—
Prop. Initial	100.1	105.4	+0.1	—
Prop.	103.0	108.5	+0.2	—
Fixed Int. Initial	115.2	121.3	+0.3	—
Fixed Int.	118.6	124.9	+0.3	—
Indexed Gilt Initial	104.0	109.5	—	—
Indexed Gilt	107.0	112.7	—	—
Deposit Initial	100.9	106.3	—	—
Deposit	104.3	109.8	—	—

NPI Pensions Management Ltd.

Managed Fund	349.8	364.4	—	—

Prices Jan 4. Next dealing Feb. 1.

New Zealand Sth. Brit. Insce. PLC
Maitland House, Southend SS1 2JS 0702 62955

Kiwi Key (Managed)	284.9	299.3	—	—
UK Equity	115.1	121.2	-0.3	—
American	211.5	222.6	+0.9	—
Pacific	248.6	258.3	-0.2	—
Property	134.5	141.6	+0.1	—
Gilt	139.6	146.9	+0.5	—
High Inc. Equity	108.3	114.0	+0.1	—
High Inc. Fxd. Int.	91.9	96.8	+0.5	—
Deposit	135.2	142.3	+0.1	—
Index Lnkd Gilt	102.9	108.4	+0.1	—

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 22200

[illegible]	[illegible]	[illegible]	+1.2	—
[illegible]	[illegible]	[illegible]	+2.4	—
[illegible]	[illegible]	[illegible]	+0.9	—
[illegible]	[illegible]	[illegible]	—	—
Fixed Int. Fund	[illegible]	[illegible]	+1.0	—
Deposit Fund	[illegible]	163.6	+0.1	—

Norwich Union Life Insurance Society Pensionsplan

Fixed Interest*	146.1	153.7	—	—
Ordinary Share*	155.5	163.7	—	—
Property*	111.9	117.8	—	—
Deposit*	109.3	115.0	—	—
Index Linked Secs.*	117.2	123.4	—	—
Mixed*	144.4	152.0	—	—
Nor Units Jan 15	391.8		—	—

*Prices at January 25.

Pearl Assurance (Unit Funds) Ltd.
252 High Holborn, WC1V 7EB. 01-405 8441

Int. Prop. Dist	128.3	136.2	—	—
Ins. Prop. Acc.	180.8	190.4	—	—
Ins. Equity	230.4	242.6	—	—
Ins. Managed	184.9	194.7	—	—

Pearl Assurance (Unit Linked Pensions) Ltd.

Ret. Managed	161.9	170.5	—	—

Phoenix Assurance Co. Ltd.
4-5 King William St., EC4P 4HR 01-626 9876

Wealth Ass.	216.4	227.9	—	—
Ebr. Ph. Eq. E.	150.1	161.2	—	—

Pioneer Mutual Insurance Co. Ltd.
16, Crosby Rd., N. Waterloo, L'pool 051-928 6655

Managed Fund	131.4	139.4	—	—
Man Pens Inc Fd	142.6	150.1	—	—
Man Pens Cap Fd	142.5	151.2	—	—

Planned Savings Group
48, East Street, Horsham 0405 50255

1st Managed	79.8	84.0	—	—
1st Fixed Interest	81.7	86.0	—	—
4th Managed	87.4	92.0	—	—
5th Managed	76.5	81.4	—	—
Pension Managed	76.5	80.5	—	—

Premium Life Assurance Co. Ltd.
Eastchester Hse., Haywards Heath 0444 458721

American Tech. Fd.	142.0	150.0	—	—
Building Soc. Fd.	121.0	128.0	—	—
Balanced	121.0	128.0	—	—
Data Mangt. Fd.	113.0	119.0	—	—
Deposit	116.0	122.0	—	—
Gilt	117.0	123.0	—	—
Natural Resources	128.0	135.0	+1.0	—
Property	120.0	126.0	-1.0	—
UK Equity	111.0	117.0	-1.0	—
International Equity	111.0	117.0	-1.0	—

Prop. Equity & Life Ass. Co.
42 Houndsditch, London EC3A 7AY 01-621 1124

R. Silk Prop. Bond	253.3		—	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		286.5	—	—
Property Fund (A)		279.4	—	—
Agricultural Fund		1047.9	—	—
Agric. Fund (A)		1022.7	—	—
Abbey Nat. Fund		222.9	—	—
Abbey Nat. Fd. (A)		221.1	—	—
Investment Fund		121.9	—	—
Investment Fund (A)		120.3	—	—
Equity Fund		362.6	+4.1	—
Equity Fund (A)		358.4	+4.1	—
Money Fund		205.0	+0.3	—
Money Fund (A)		202.4	+0.3	—
Actuarial Fund		188.1	—	—
Gilt-edged Fund		173.2	+0.6	—
Gilt-Edged Fd. (A)		173.2	+0.6	—
Retire Annuity		342.8	—	—
Immed. Ann'ty		196.0	—	—
International Fd.		215.5	—	—

Prop. Growth Pensions & Annuities Ltd.

All Weather Ac. Uts.	224.1	236.9	—	—
Inv. Fd. Uts.		260.0	—	—
Pension Fd. Uts.		[illegible]	—	—
Conv. Pens. Fd.		268.1	—	—
Cnv. Pns. Cap. Ut.		202.3	—	—
Man. Pens. Fd.		284.8	-1.1	—
Man. Pens. Cap. Ut.		227.2	-1.3	—
Prop. Pens. Fd.		244.5	—	—
Prop. Pens. Cap. Uts.		206.0	—	—
Bldg. Soc. Pen. Ut.		153.7	—	—
Bldg. Soc. Cap. Ut.		133.3	—	—
Gilts Pens. Fd.		148.3	+0.4	—
Gilts Pens. Fd. Cap.		133.9	+0.2	—
Equity Pens. Fd.		210.6	—	—
Equity Pens. Fd. Cap.		188.9	-0.5	—

Providence Capital Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Equity Acc.	91.4	96.5	—	—
Fixed Interest Acc.	82.8	87.4	—	—
Intnl. Acc.	74.7	78.9	—	—
Managed Acc.	83.3	87.8	—	—
Property Acc.	105.8	111.7	—	—
Money Acc.	71.0	74.9	—	—
Special Market Acc.	59.6	62.9	—	—
Japan Acc.	46.4	49.0	—	—
North America Acc.	64.6	68.2	—	—
Pacific Acc.	42.0	44.4	—	—
Technology Acc.	56.1	59.2	—	—
Nat. Resources Acc.	47.3	49.9	—	—

Individual Pension Funds

Equity Acc.	77.5	85.9	—	—
Fixed Interest Acc.	82.0	86.6	—	—
Intnl. Acc.	80.0	84.4	—	—
Managed Acc.	76.6	80.8	—	—
Property Acc.	73.2	77.3	—	—
Money Acc.	63.2	66.7	—	—

Group Pension Funds

Equity	278.0	286.7	—	—
Fixed Interest	232.7	240.0	—	—

Provident Mutual Life Assc. Assn.
Walton Rd., Hitchin, Herts, SG4 0LP 0462-52991

Managed Ord	106.3	111.9	+0.8	—
Managed Init.	105.2	110.7	+0.8	—
Equity Ord.	106.5	112.1	+1.8	—
Equity Init.	105.4	110.9	+1.8	—
Overseas Equity Ord	126.4	133.1	+1.7	—
Overseas Equity Init	125.1	131.7	+1.7	—
Property Ord	97.5	102.6	—	—
Property Init.	96.5	101.6	—	—
Fixed Interest Ord.	94.4	99.4	+0.2	—
Fixed Interest Init.	93.4	98.3	+0.2	—
Deposit Ord	96.8	101.9	—	—
Deposit Init.	95.8	100.8	—	—

Pension Funds

Managed Ord.	108.1	113.8	+1.1	—
Managed Init.	106.9	112.5	+0.9	—
Equity Ord.	108.3	114.0	+1.3	—
Equity Init.	107.1	112.7	+1.1	—
Overseas Equity Ord.	130.6	137.5	+2.0	—
Overseas Equity Init.	129.2	136.0	+1.9	—
Property Ord.	98.4	103.6	—	—
Property Init.	97.3	102.4	—	—
Fixed Interest Ord.	94.8	99.8	+0.2	—
Fixed Interest Init.	93.8	98.7	+0.2	—
Deposit Ord.	98.0	103.2	—	—
Deposit Init.	97.0	102.1	—	—

Provincial Life Assurance Co. Ltd.
222, Bishopsgate, EC2. 01-247 6533

Managed Fd.	233.0	245.4	+2.0	—
Cash Fd	152.3	160.5	—	—
Property Fund	169.9	179.1	—	—
Equity Fund	276.4	291.2	+2.5	—
Fxd. Int. Fund	259.2	267.8	+1.1	—
International	127.5	134.4	+1.4	—
High Income	117.9	124.3	-0.5	—
Far East	119.2	125.7	+0.7	—
North American	170.2	179.4	+3.5	—
Special Sits.	148.6	156.8	+1.7	—
Technology	175.5	185.0	+2.3	—
Managed Pens. Acc.	173.7	182.9	+1.9	—
Deposit Pens. Acc.	129.3	136.2	—	—
Property Pens. Acc.	137.3	144.6	—	—
Fix. Int. Pens. Acc.	150.9	158.9	+1.3	—
Equity Pens. Acc.	197.8	208.3	+2.3	—
International Pens. Acc.	104.8	109.5	+1.2	—
High Inc Pens Acc.	101.4	106.8	+0.7	—
Tech Pens Acc	107.6	113.3	+2.1	—
N American Pens Acc	105.8	111.4	+2.2	—
Far Eastern Pens Acc	99.6	104.9	+0.8	—
Special Sits Pens Acc	104.3	109.8	+2.7	—

For Capital Unit and Other Prices ring 01-247 6533.

Prudential Assurance Co.
Holborn Bars, EC1N 2NH. 01-405 9222

Prufund Managed	103.4	107.8	—	—

Prudential Pensions Limited
Holborn Bars, EC1N 2NH. 01-405 9222

Equity Fd Jan 26	£46.12	47.55	—	—
Intnl Fd Jan 26	£8.36	8.61	—	—
Fixed Int. Jan 26	£33.27	33.71	—	—
Prop. Fd. Jan 26	£50.54	52.10	—	—
Cash Fund Jan 26	£10.88	10.88	—	—

Pru-Link Retirement Plan

Managed Fund	122.8	128.8	—	—
Cash Fund	106.1	110.6	—	—

Refuge Investments Limited
103 Oxford St., Manchester 061-236 9432

Managed	117.8	124.0	—	—
Property	108.4	114.2	—	—

Reliance Mutual
Tunbridge Wells, Kent. 0892 22271

Equity Fund	113.1	119.1	-1.4	—
Prop Fd. (1st Issue)		366.2	—	—
Prop Fd. (2nd Issue)	113.4	119.3	—	—
Managed Fd.	120.7	127.1	-0.5	—

Royal Life Insurance Ltd.
New Hall Place, Liverpool L69 3HS 051-227 4422

Royal Shield Fd.	281.8	298.1	—	—

Royal Life (Unit Linked Assurance) Ltd.

Managed Fund	116.5	122.6	+0.7	—
Equity Fund	123.4	129.8	+0.7	—
Property Fund	110.2	115.9	—	—
International Fund	136.8	143.9	+1.3	—
Gilt Fund	109.6	115.3	+0.3	—
Money Fund	99.4	104.6	+0.2	—

Royal Life (Unit Lnkd. Pension Fds.) Ltd.

Exempt Man. Fd.	100.7	105.9	+0.8	—
Exempt Equity Fd.	107.4	113.0	+0.7	—
Exempt Prop. Fd.	97.2	102.3	—	—
Exempt Intl. Fd.	129.6	136.4	+1.5	—
Exempt Gilt Fd.	95.1	100.1	+0.3	—
Exempt Money Fd.	98.0	103.1	+0.2	—

Save & Prosper Group
4 Gt St Helen's, London EC3P 3EP. 0708 66966

Global Equity Fund (z)	65.4	69.3	+0.4	—
Bal. Inv. Fd.	222.8	[illegible]	—	—
Property Fd.*	263.3	277.8	—	—
Gilt Fd.	197.6	209.2	-0.1	—
Deposit Fd.‡	176.4	186.7	—	—
Man. Pens. Fd.‡	409.1	430.8	—	—
Equity Pens. Fd.	406.3	428.9	+4.3	—
Prop. Pens. Fd.*	527.1	557.8	—	—
Gilt Pens. Fd.	167.2	177.0	—	—
Depos. Pens. Fd.‡	175.2	185.4	—	—
A. G. Bond Fund (z)	56.9	60.3	+0.1	—

*Prices on January 26. ‡Weekly dealings.

Schroder Life Assurance Ltd.
Enterprise House, Portsmouth. 0705 827733

Equity	415.5	435.4	+2.7	—
Fixed Interest	216.2	227.7	+0.1	—
Property	255.6	269.1	+4.1	—
Overseas	144.1	151.8	+1.0	—
Money	152.2	160.3	—	—
Managed	233.1	245.4	+1.0	—
CCM Vanguard Mngd	165.2	174.0	+1.3	—
Income Distrib.	125.9	132.7	—	—
Income Accum.	150.9	159.0	—	—
Capital	151.5	159.5	-1.2	—
General	146.6	154.4	+0.7	—
Europe	123.7	130.3	+0.4	—
Smaller Co's	170.1	179.1	+0.1	—
American	162.8	171.4	+2.3	—
Tokyo	134.5	141.6	-1.0	—
Gilt & Fxd. Int.	118.4	124.7	-0.6	—
Australian	105.6	111.3	+0.4	—
Singapore & Malay	113.6	119.7	+1.9	—
Equity Pension	239.5	251.1	+1.6	—
Fxd Int Pension	167.5	176.4	+0.3	—
Property Pension	214.6	226.0	+0.1	—
Overseas Pension	128.8	135.6	+0.9	—
Money Pension	172.3	181.5	+0.1	—
Managed Pension	529.7	557.7	+2.7	—
American Pension	157.2	165.5	+2.5	—
Tokyo Pension	118.5	124.8	-1.0	—
Australian Pen.	118.0	124.3	+0.4	—
Sing. & Malay Pen.	120.3	126.7	+2.2	—
Special Ex. Pension	133.3	140.4	+0.2	—
B. Soc. Pension	239.6	251.7	+0.1	—

Prices are for Life Series 4 Accum and Pension Series B Accum Jan. 26. Other prices on request.

Scottish Amicable Investments
150 St Vincent St, Glasgow 041-248 2323

Equity	136.1	143.3	+1.3	—
Fixed Interest	129.9	136.8	+0.3	—
International	143.6	151.2	+1.4	—
Property	106.4	112.0	+0.1	—
Cash	109.1	114.9	—	—
Index Linked Gilt	106.1	111.7	+0.1	—
Managed	135.7	142.9	+0.9	—
Exempt Eq. Init.	109.8	115.6	+1.1	—
Do. Accum	116.6	122.8	+1.2	—
Exempt Fxd. Int. Init	125.8	132.5	+0.6	—
Do. Accum.	133.6	140.7	+0.7	—
Exempt Intnl. Init.	118.9	125.2	+1.6	—
Do. Accum	126.3	133.0	+1.8	—
Exempt. Prop. Init.	92.0	96.9	—	—
Do. Accum.	97.6	102.8	—	—
Exempt Cash Init.	99.8	105.1	—	—
Do. Accum.	106.0	111.6	—	—
Exempt Man. Init.	114.8	120.9	+0.9	—
Do. Accum.	121.9	128.4	+1.0	—

Scottish Equitable Life Assce. Soc.
31, St Andrew Sq., Edinburgh. 031 556 9101

Mixed	95.3	100.3	+1.1	—
Equity	95.7	100.7	+0.7	—
Property	95.3	100.3	+0.1	—
Fixed Interest	91.9	96.7	+0.6	—
International	99.6	104.8	+2.3	—
Index Linked	96.2	101.3	—	—
Cash	95.56	100.59	+0.08	—

Scottish Mutual Assurance Society
109 St. Vincent St., Glasgow 041-248 6321

Pen. Eqt Dec. 31	389.3	409.8	—	—
Pen Mngd Dec. 31	286.2	295.0	—	—

Scottish Widows' Group
PO Box 902, Edinburgh EH16 5BU 031-655 6000

Pol Inv Jan 21	220.7	220.7	—	—
In Pol 2 Jan 21	206.6	216.7	—	—
In. Pol Jan 21	206.2	216.0	—	—
Inv Cash Jan 27	142.4	149.9	—	—
Mixed Fund	128.9	135.8	+0.9	—
Equity Fund	132.6	139.7	+1.0	—
Property Fund	108.4	114.2	—	—
International Fund	114.6	120.7	+2.2	—
Fixed Int. Fund	128.0	134.9	-0.6	—
Index Stk. Fd.	106.6	112.3	+0.1	—
Cash Fd.	106.6	112.3	+0.1	—
Pens. Mixed Fd. Ord.	139.3	146.7	+1.0	—
Pens. Equity Fd. Ord.	140.2	147.7	+1.1	—
Pens. Prop. Fd. Ord.	113.1	119.1	—	—
Pens. Int. Fd. Ord.	120.4	126.8	+2.8	—
Pens. Fxd. Int. Fd. Ord.	138.2	145.6	-0.8	—
Pen. Ind. Stk. Fd. Ord.	108.8	114.7	+0.2	—
Pens. Cash Fd. Ord.	114.4	120.5	+0.1	—
Pens Bal Jan 27	556.8	586.7	-1.2	—
Do St. Jan 27	[illegible]	[illegible]	-1.2	—
Do Prg Fd Jan 24		116.3	—	—
Cash Fd. Jan 24		124.0	—	—
Ex Unit Acc. Jan 19	276.4	288.3	—	—
Ex Unit Inc. Jan 19	203.0	211.7	—	—

Skandia Life Assurance Co. Ltd.
161-166 Fleet St., London EC4 2DY 01-353 8511

Managed Acc.	240.2	247.6	+1.6	—
Equity Acc.	149.9	156.7	+1.3	—
Gilt Plus Acc.	129.3	136.1	+2.3	—
International Acc	159.6	168.0	+2.0	—
Pens. Managed Acc.	162.6	171.3	+2.2	—
Pens. Equity Acc.	170.3	179.3	+1.8	—

For Prices of other Units and Guaranteed Basic Rates please Phone 01-353 8511
For Solar Life Assurance Ltd see Sun Life Unit Assurance Ltd

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ. 031-225 2552

Managed	177.3	186.7	+1.2	—
Property	139.9	147.3	+0.1	—
Equity	200.8	211.4	+1.2	—
International	189.3	199.3	+3.1	—
Fixed Interest	148.2	156.0	-0.9	—
Index Linked	102.6	108.1	+0.1	—
Cash	125.4	132.0	+0.1	—
Pension Managed	197.6	208.0	+1.5	—
Pension Property	139.6	147.0	—	—
Pension Equity	223.8	235.6	+1.9	—
Pension Intl.	216.3	227.7	+3.3	—
Pension Fxd. Int.	152.2	160.2	-0.6	—
Pension Index Linked	103.9	109.4	—	—
Pension Cash	137.9	145.2	—	—

Sun Alliance Insurance Group
Sun Alliance House, Horsham. 0403 64141

Index Linked Fund	108.7	114.5	+0.2	—
Equity Fund	264.5	278.5	+1.9	—
Fixed Interest Fund	175.4	184.7	+0.2	—
Property Fund	209.9	221.0	+0.2	—
International Fd.	158.7	166.9	+2.9	—
Deposit Fund	138.7	146.0	—	—
Managed Fund	211.9	223.1	+1.8	—
Intnl Bond Jan 25	£16.51		—	—

Individual Pension Funds

Index Linked	127.7	134.5	+0.3	—
Equity	124.8	131.4	+0.9	—
Fixed Int.	136.6	143.8	+0.4	—
Property	102.9	108.4	—	—
International	130.0	136.9	+2.1	—
Deposit	105.4	111.0	—	—
Managed	127.5	134.3	+1.2	—

*Group Pension funds—Prices available on request.

Sun Life of Canada (UK) Ltd.
2, 3, 4, Cockspur St., SW1Y 5BH 01-930 5400
Maple Leaf Plans

Growth Account	363.8		—	—
Managed Account	237.7		—	—
Equity Account	249.1		—	—
Managed Fd. Accum.	114.2	120.2	—	—
Equity Fd. Accum	114.0	120.0	—	—
Property Fd. Accum.	99.8	105.1	—	—
Fixed Int. Fd. Accum.	114.1	120.1	—	—
Intnl. Fd. Accum	134.3	141.4	—	—
Money Fd. Accum	100.9	106.2	—	—
Index-Ld. Scs. Fd. Accum.	107.6	113.3	—	—

Pension Plans

Pers. Pens. Account	387.9		—	—
Pens. Mgd. Acc. Accum.	181.2	190.7	—	—

Sun Life Unit Assurance Ltd.
107, Cheapside, London, EC2V 6DU 0272-299 524

Managed Cap.	216.6	228.1	+1.2	—
Managed Acc.	237.1	249.6	+1.2	—
Property Cap.	165.0	173.7	-0.1	—
Property Acc.	182.2	191.8	—	—
Equity Cap.	282.3	297.2	+1.9	—
Equity Acc.	310.7	327.1	+2.0	—
Fixed Interest Cap.	139.2	146.5	-0.5	—
Fixed Interest Acc.	153.8	161.9	-0.5	—
Cash Cap.	131.7	138.7	—	—
Cash Acc.	145.4	153.1	—	—
International Cap.	159.1	167.5	+1.4	—
International Acc.	174.8	184.0	+1.6	—
American Cap.	148.4	156.3	+2.8	—
American Acc.	163.8	172.5	+3.1	—
Far Eastern Cap.	146.6	154.8	+1.6	—
Far Eastern Acc.	161.4	169.9	+1.9	—
Distribution	119.7	126.1	—	9.65

Sun Life Pensions Management Ltd.
(funds for individual pension contracts)

Pens. Managed Cap.	184.7	194.5	+1.5	—
Pens. Managed Acc.	203.3	214.1	+1.5	—
Pens. Property Cap.	120.5	126.9	+0.1	—
Pens. Property Acc.	132.5	139.6	+0.2	—
Pens. Equity Cap.	225.2	237.1	+2.3	—
Pens. Equity Acc.	247.2	260.3	+2.5	—
Pens. F. Interest Cap.	117.7	123.9	—	—
Pens. F. Interest Acc.	128.7	135.6	+0.1	—
Pens. Cash Cap.	120.9	127.3	+0.1	—
Pens. Cash Acc.	131.6	138.6	—	—
Pens. Intnl. Cap.	165.5	174.3	+2.0	—
Pens. Intnl. Acc.	181.5	191.1	+2.2	—
Pens. American Cap.	123.0	129.5	+1.9	—
Pens. American Acc.	134.8	142.2	+2.2	—
Pens. Far Estn. Cap.	198.6	208.8	+2.3	—
Pens. Far Estn. Acc.	211.6	222.8	+2.4	—

Target Life Assurance Co. Ltd.
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941

Managed	214.0	225.3	+2.0	—
Property	207.7	218.7	—	—
Fixed Int.	141.0	148.5	+0.3	—
UK Equity	164.7	173.4	+1.3	—
Int. Equity	167.7	176.6	+2.7	—
Deposit	125.6	132.2	—	—
American	102.3	108.1	+2.1	—
U.S. Special Bond	102.2	107.6	+1.2	—
Japan	97.1	102.3	+1.1	—
Malaysia & S'pore	103.5	109.0	+0.6	—
Commodity	105.7	111.2	+2.0	—
Gold	147.3	155.1	+4.5	—
Financial	100.1	105.4	+1.6	—
Income	99.1	104.4	+0.6	—
Special Situations	101.6	107.0	+0.5	—
Preference	94.4	99.4	—	7.00
Sterling	—	—	—	5.10
U.S. Dollar	—	—	—	2.10
Swiss Franc	—	—	—	3.00
Deutsche Mark	—	—	—	1.00
Yen	—	—	—	—
Managed Pension	436.5	458.5	+2.0	—
Gilt Pens.	232.8	245.1	+0.4	—
Property Pens.	245.9	258.9	—	—
Equity Pens.	95.0	100.0	—	—
Index-L. Plan	106.3	111.9	+0.3	—
Guar. Pen.	169.7	179.1	+0.1	—

Prices quoted are for Accumulation units.

Transinternational Life Ins. Co. Ltd.
55-57, High Holborn, WC1V 6DU. 01-831 7481

Series 2 Man. Fd.	164.8	173.4	—	—
Series 2 Equity Fd.	188.2	197.9	—	—
Series 2 Prop. Fd.	123.5	129.7	—	—
Series 2 Fixed Int. Fd.	153.5	161.5	—	—
Series 2 Money Fd.	124.4	130.9	—	—
Series 2 O'seas Fd.	159.3	167.6	—	—
Tulip Invest. Fd.	305.8	321.9	—	—
Tulip Managed Fd.	219.0	230.5	—	—
Managed Inv. Fd. Inl.	163.2	171.7	—	—
Managed Inv. Fd. Acc.	179.4	188.8	—	—
Man. Pen. Fd. Cap.	244.2	257.0	—	—
Man. Pen. Fd. Acc.	298.5	314.2	—	—

Trident Life Assurance Co. Ltd
London Road, Gloucester. 0452 36541

Managed	199.2	209.5	+1.4	—
Gtd. Mgd.	213.5	224.8	—	—
Property	255.5	269.1	—	—
American	177.6	187.1	+1.8	—
U.K. Equity Fund	188.3	198.3	+1.8	—
High Yield	199.5	210.1	+1.8	—
Gilt Edged	177.5	186.9	+0.6	—
Money	177.0	186.4	—	—
International	135.9	143.2	+1.4	—
Fiscal	197.9	208.4	—	—
Growth Cap.	190.7	201.7	—	—
Growth Acc.	221.6	233.4	—	—
Pens. Equity Acc.	208.9	220.0	—	—
Pens. Mngd. Acc.	243.5	256.5	—	—
Pens. Gilt Edged Acc.	186.1	196.0	—	—
Pens. Gtd. Dep. Acc.	184.5	194.3	—	—
Pens. Pty. Acc.	240.6	253.4	—	—
Tri Inv. Bond	57.3	60.4	—	—

Tyndall Assurance/Pensions
18, Canynge Road, Bristol. 0272 732241

3-Way		305.8	—	—
Do. Pens.		379.6	—	—
Equity		369.8	—	—
Bond		199.9	—	—
Property		187.8	—	—
Overseas Inv.		186.1	—	—
UK Inv.		245.2	—	—
Deposit		182.8	—	—
Man. Pen. 3-W		310.6	—	—
Equity Pen.		455.8	—	—
Bond Pen.		312.6	—	—
Prop. Pen.		175.0	—	—
Dep. Pen.		240.2	—	—

New Series. 0272 277458.

U.K. Equity	132.1	139.1	—	—
Nth. American Eq.	130.0	136.9	—	—
Far East Eq.	136.0	143.2	—	—
Fixed	121.7	128.2	—	—
Cash Deposit	100.3	105.6	—	—
Property	98.4	103.6	—	—
Special Opp.	137.8	145.1	—	—
Managed	129.5	136.4	—	—
Index Linked Fund	111.2	117.1	—	—

Pension New Series

UK Equity	120.7	127.1	-1.8	—
(Accum Units)	123.2	129.7	-1.7	—
North American	131.1	138.0	-4.3	—
(Accum Units)	133.7	140.8	-4.3	—
Far Eastern Equity	129.3	136.2	-0.4	—
(Accum Units)	131.9	138.9	-0.2	—
Fixed Interest	119.0	125.3	+0.2	—
(Accum Units)	121.5	127.9	+0.4	—
Cash Deposit	98.5	103.7	+0.1	—
(Accum Units)	100.5	105.8	+0.2	—
Property	98.8	103.2	—	—
(Accum Units)	99.9	105.2	—	—
Index-Linked	108.3	114.0	+0.4	—
(Accum Units)	110.5	116.4	+0.6	—
Managed	125.0	131.6	-1.6	—
(Accum Units)	127.5	134.3	-1.4	—

Vanbrugh Life Assurance
41-43 Maddox St., Ldn. W1R 9LA. 01-499 4923

Managed Fd.	252.7	266.0	+1.6	—
Equity Fd.	434.5	457.4	+4.1	—
Intnl. Fd.	175.7	185.0	+1.9	—
Fixed Int. Fd.	227.8	239.8	+0.3	—
Prop. Fd.	208.9	221.5	—	—
Cash Fd.	169.9	178.9	—	—

Vanbrugh Pensions Limited
41-43, Maddox St., Ldn., W1R 9LA 01-499 4923

Managed	197.4	207.8	—	—
Equity	240.3	253.0	—	—
Fixed Interest	176.4	185.7	—	—
Property	175.8	185.1	—	—
Index Linked Gilt	110.3	116.2	—	—
Guaranteed		10.78	—	—
International Money	109.5	115.3	-0.1	—

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144

Investor Units	141.7	149.1	—	—
Accum. Pen. Units	236.7	249.1	—	—
Flex. Inv. Growth	149.7	157.6	—	—
Future Assd Growth	63.0(A)	82.0(B)	—	—
Ret. Ass'd Pen.		45.10	—	—

OFFSHORE AND OVERSEAS

Adig Investment
Postfach 708, 8000 Munich 1, Telex 524269

Adiropa	DM22.11	22.77	+0.01	—
Adiverba	DM57.87	60.76	+0.37	—
Fondak	DM28.85	30.29	+0.22	—
Fondis	DM26.38	27.62	+0.21	—

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Albany $ Fd. (CI)	$216.25	219.00	-0.09	1.68

Next dealing Feb 11.

Allan Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Dollar Inc. Fd.	$10.38	10.40xd	—	9.65
AHR Gilt Edg. Fd.	£12.36	12.79	+0.08	11.34

Alliance International Dollar Reserves
c/o Bank of Bermuda, Hamilton, Bermuda.
Adv: ACMI, 62/63 Queen St., EC4. 01 248 8881
Distribution Jan 20/23 (0.000857) (8.73% pa)

Andover Futures Ltd. (Adv: Thornto)
c/o MIL: Bank of Bermuda 809-295 4000

NAV Dec 31		$75.59d	—	—

Arbuthnot Securities (C.I.) Ltd. (a)(c)(h)
P.O. Box 428, St. Helier, Jersey. 0534 76077

Dollar Income Tst (z)	$1.046	1.088	+0.001	11.03
East Intl & Energy (z)	172.2	185.7	+1.9	0.67
Gov't Secs. Tst.	80.0	83.4	+0.3	11.99
Sterling Fd.	148.8	149.0	—	0.34

Daily Dealing-yields based on estimates.
Prices at Jan 26. Next dealing Feb 2.

B.I.A. Bond Investments AG
10, Bauerstrasse CH6301, Zug, Switzerland

Barrer Std Jan 18	10,640	11,200	—	—

Baerbank (Overseas) Ltd.
West Wind Building, Grand Cayman

Liquibaer J. Baer SFR	1,052	1,053	+1	—

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	£119.83	120.45	-0.68	23.83

Prices at Jan 11. Next sub day Jan 12.

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Unigilt Trust	£62.4	64.1xd	—	11.38
Unidollar Trust	$13.17	13.84	—	2.00
Unibond Trust	$92.18	92.78	—	10.90

1, Thomas St, Douglas, Isle of Man 0624 4856

Uni-Australian Tst	69.6	74.9xd	—	1.8
Uni-Aust. Mineral Tst.	59.3	63.8	—	1.8
Uni-Pacific Trust	126.8	134.8	—	—
Uni-International Tst.	57.6	62.0	—	1.8

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC** Jan 5	$51.98	55.28	—	—
COUNT*** Jan 5	£3.384	3.597	—	1.46
CANRHO** Jan 5	£1.657	1.758	—	—
MAPSA* Jan 5	$10.55	11.22	—	—

Original issue *$10 and **£1. Next val. Feb. 7.

Bridge Management Ltd.
GPO Box 590, Hong Kong

N'bashi Dec. 31		Y31,287	—	—
Nippon Fd Jan 26	$23.43	24.84	—	1.09

Britannia Intl. Investment Mngt. Ltd.
Box 271, Queensway House, Queen Street, St. Helier, Jersey C.I. 0534-73114
U.S. Dollar Denominated Funds

Am. Sailer Cos. Fd*	$1.866	2.005	+0.04	—
Dollar Inc. Fd.	$0.812	0.874	-0.00	11.50
$ Mngd. Currency Fd.	$9.76	10.28	+0.01	5.00
First Intnl.	$21.56	22.53	—	—
Gold Fund*	$1.445	1.556	+0.09	3.41
Normandie Intl. SFd.	$10.58	11.34	—	—
Universal Growth Fd.	$0.879	0.945	—	—

New dealing February 7.
Sterling Denominated Funds

American Investments	72.8	76.6xd	+3.2	3.00
Australian Perf. Fd.	79.6	85.6	+2.2	—
Far East Fund	104.3	112.1xd	+3.0	1.00
First Sterling	£20.07	21.19	—	—
Jersey Energy Tst	16.2	17.4xd	-0.3	1.50
Jersey Gilt*	21.6	22.9	—	12.01
U.K. Growth Fund	48.8	52.5xd	-0.9	3.43
USM Fund*	129.1	138.8	+1.7	—

Sterling Deposit Funds

Managed Currcy. Fd.*	£13.11	13.86	—	5.50
Capital Dep. Trust**	14.98	14.99xd	—	0.25

Britannia Fund Managers I.O.M.
1, Thomas Street, Douglas, I.o.M. 0624 4856

Gilt Trust (I.O.M.)*	95.3	97.9	—	11.75

*Daily Dealing—Other Funds Weekly Mondays. **Tuesday Weekly—Capital Return 9.25%.

Brown Shipley Tst. Co. (Jersey) Ltd.
P.O. Box 583, St. Helier, Jersey. 0534 74777

Sterling Bd. Fd. (b)	£10.27	10.31	+0.02	12.57
Sterling Cap. Fd. (a)	£15.27	15.28	—	—
Int. Cur. Fd. (a)(h)	£1.12	1.18	—	—

Butterfield Management Co. Ltd.
P.O. Box 195, Hamilton, Bermuda.

Buttress Equity	$4.70	4.98	—	1.00
Buttress Income	$2.62	2.76	—	11.47

Prices at Jan 4. Next sub day Feb 7.

CAL Investments (IoM) Ltd.
16, St. Georges St., Douglas, IOM. 0624 25031

CAL Cmdty & Crncy	103.3	108.8	—	4.47
CAL Metal	91.1	95.9	—	—

Dealing days every Monday.

Capital Asset Managers Ltd.
Bermuda Hse, St. Julians Ave, St. Peter Port, Guernsey C.I. 0481 26268

The Currency Trust	81.0	86.0	—	1.08

Capital International Fund S.A.
43 Boulevard Royal, Luxembourg

Capital Int. Fund		$28.30	—	—

Charterhouse Japhet
1 Paternoster Row, EC4 01-248 3999

Emperor Fund*	$9.06	9.52	—	—
Hispano	$30.87	32.45	-0.18	3.85

*Prices at Jan 15. Next sub day Jan 31.

Charterhouse Japhet Currency Mngt. Ltd.
Channel Hse., St. Helier, Jersey. 0534 74689

Central Assets Currency Funds Ltd.

US$	10.94	—	—	—
£ Sterling	11.16	—	—	—
D Marks	42.28	—	—	—
Sw Francs		40.44	+0.01	—
Fr Francs		113.81	+0.08	—
SDR's		275.28	+0.06	—

For Chavijon Commodities (I.O.M.) see Normandy Tst. Mngrs.

Cornhill Ins. (Guernsey) Ltd.
P.O. Box 157, St. Peter Port, Guernsey

Intnl. Man. Fd.	264.5	287.5	—	—

Cortexa International
10a, Boulevard Royal, Luxembourg.

Cortexa Intnl.		$95.22	+0.81	—

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561

Gilt Fund (Jsy.)	95.2	95.3	—	11.50

Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp
Grueneburgweg 113, 6000 Frankfurt

Investa	DM31.64	33.25	+0.35	—

Delta Group
P.O. Box 3012, Nassau, Bahamas

Delta Inv Jan 25	$4.31	4.53	-0.28	—

London Agents: Kleinwort Benson. Tel: 01-623 8000

Deutscher Investment-Trust
Mainzer Landstrasse 11-13, 6000 Frankfurt

Concentra	DM18.81	18.46	+0.15	—
Int. Rentenfonds	DM73.53	77.42	+0.73	—

Drexel Burnham Lambert
77, London Wall, London, EC2. 01-628 3200
Winchester Diversified Ltd. NAV Dec 31 $23.66.
Winchester Overseas Ltd. NAV Dec 31 $8.86.
Winchester U.S. Reserves Ltd. Current yield 8.30.

Dreyfus Intercontinental Inv. Fd.
P.O. Box N3712, Nassau, Bahamas.

NAV Jan. 26	$26.46	28.75	—	6.40

Duncan Lawrie Inv. Mgt. Ltd.
Victory Hse, St Peter Port, Guernsey. 0481 28094

DL Sterling	49.6	52.1xd	+1.0	6.90
DL International	$1.27	1.35xd	—	3.90

Emson & Dudley Tst. Mgt. Jrsy. Ltd.
P.O. Box 73, St. Helier, Jersey. 0534 73933

E.D.I.C.T.	86.9	94.0	—	—

The English Association
4 Fore Street, EC2. 01-588 7081

E. A. Income Fd.*	60.4	64.3xd	—	10.26
E. A. Sterling*	£79.94	79.75xd	—	—
E. A. Equity*	63.0	67.1	—	—
Wardgate Cm. Fd.**	£16.34	17.00xd	—	2.94

*Next dealing Jan 26. **Next dealing Jan 31.

Ermitage Management Ltd.
Grenville Hse, St. Helier, Jersey, C.I. 0534 76007.

External Fund	—	$157.46	—	—
Cash Fund	—	£16.49	—	—

Eurobond Holdings N.V.
Pietermaai 15, Willemstad, Curacao.
London Agents: Intel 1/3 Worship St., London EC2 Tel: 01-638 6011. Telex: 8814408

Euro Hldgs.	$22.40	23.51	—	9.50

S.G. Europe Obligations S.A.
9, Avenue de la Liberte, Luxembourg
London Agent: FPS, Salisbury Hse, London Wall EC2M 5TA. Tel. 01-920 0776 Telex 887281

Europe-Obligations		$45.32	-0.61	1.30

Eurotax Investments Ltd.
1, Athol St., Douglas, Isle of Man.
UK Agents FIS, St. Albans. 0727 33166

Eurotax Inv. Fund	112.9	118.9	—	—

Executive Life (C.I.F. Managers Ltd.)
P.O. Box 1063 Grand Cayman B.W.I.

Trans Atlntc. Gwth. Fd.	$11.00		—	—

F & C Mgmt. Ltd. Inv. Advisers
1, Laurence Pountney Hill, EC4. 01-623 4680

F&C Atlantic Fd. SA		$13.36	—	1.12
F&C Oriental Fd.		$18.89	—	1.05

Prices Jan 19. Weekly dealings.

Fidelity International.
8 Queensway House, Queen St., St. Helier Jersey CI. 0534 71696 Dealers: 33201.
P.O. Box 670, Hamilton, Bermuda.

American Assets(z)		$53.91	+0.80	0.96
Am. Vals. Com. Pf. $33		$100.25xd	—	3.80
American Valt. Com. $		$13.57	—	—
Australia (z)		$8.99	+0.26	—
Dollar Savings Tst. (z)		$100.18	—	8.26
Far East (z)		$37.26	-0.4	0.64
International (z)		$50.43	+1.16	0.50
Orient Fund (z)		$23.32	-0.36	—
Pacific (z)		$116.26	+1.01	0.25
World (z)		$26.08	+0.32	1.50
Gilt Fund	23.7	23.9xd	-0.1	13.08
American Inc. Tst. (z)	66.8	71.4	+0.8	6.34
Intnl. Inc. Tst. (z)	59.7	63.4	+0.6	5.87
$ Fixed Int. Tst. (z)	52.7	55.1xd	+0.3	10.34

‡Prices at December 31.

Fleming Japan Fund S.A.
37, rue Notre-Dame, Luxembourg

Fleming Jan 18	—	$49.16	—	-1.93

Frankfurt Trust Investment—GmbH
Wiesenau 1, D-6000 Frankfurt

FT-Interzins	DM41.19	42.43	+0.05	—
Frankft. Effekt. Fd.	DM55.69	58.62	-0.01	—

Free World Fund Ltd.
Butterfield Bldg., Hamilton, Bermuda.

NAV Jan 6		$178.90	—	—

G. T. Management (U.K.) Ltd.
Park Hse., 16 Finsbury Circus. Tel: 01-628 8131. Tlx: 886100.
London Agents for:

Anchor Gilt Edge	£9.66	9.73xd	-0.08	13.08
Anchor Int. Fd.	$7.45	7.46xd	—	1.34
Berry Pac Fd.		$6.74	—	0.67
Berry Pac Strlg.	£5.44	5.7330	—	0.92
GT Applied Science Fd.		$15.01	—	—
G.T. Asia Fd.		$8.22	—	1.30
G.T. Asia Sterling	£32.31	33.85	—	1.58
G.T. Australia Fd.		$24.52xd	—	4.20
G.T. Bond Fund		$12.38	-0.12	10.10
G.T. Dollar Fd.		$15.12	-0.16	0.99
G.T. Dlr. (Strlg.) Fd	£21.95	23.07	+0.14	1.06
G.T. Global Tech Fd.		$13.36	—	—
G.T. Honshu Pathfinder		$10.25	—	—
G.T. Invest. Fd.		$17.87	+0.19	0.57
G.T. Japan Small Cos.		$18.02	—	—
G.T. Technology Fd.		$31.48	—	-1.28
G.T. Pacific Fd.		$13.66	-0.05	1.02
G.T. Asean Growth Fd.		$10.02	—	1.30

Gartmore Fund Managers Ldn. Agents
2, St. Mary Axe, London, EC3. 01-623 6114
Gartmore Fund Managers (C.I.) Ltd. (a) (h)
41, Broad St., St. Helier, Jersey. 0534-73741

Gilt Fund (Jersey)	90.0	95.0	—	12.0

Gartmore Fund Managers (Far East) Ltd. (a)(h)
1503 Hutchison Hse., 10 Harcourt Rd., H. Kong

Australia Tst.	$6.392	6.883	—	1.30
HK & Pac. U. Tst.	HK$6.415	6.858	-0.022	2.40
Japan Fd.	$22.811	25.518	—	0.60
N. American Tst.	$22.143	23.771	—	0.60
Intl. Bond Fund	$10.967	11.554	—	7.00

Gartmore Fund Managers (IOM) (a)
P.O. Box 32, Douglas, Isle of Man Tel. 0624 23911

Gartmore Intl. Inc.	19.5	20.8	—	—
Gartmore Intl. Grth.	160.4	170.7	—	0.60

Assicurazioni GENERALI S.p.A.
P.O. Box 132, St. Peter Port, Guernsey, C.I.

Sterling Managed Fd.	£133.07	140.08	—	—
Dollar Mngd. Fnd.	$125.89	132.52	—	—

Granville Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Granville Inv. Tst.	£8.50	8.99	—	4.17

Next dealing day February 9.

Grindlays Investment Mngt. Ltd.
PO Box 414, St. Helier, Jersey. 0534 74248

Managed Fund	£10.330	10.7309	—	—
Sterling Fund	£10.1415	10.1923	—	—
U.S. Dollar Fund	$20.222	20.3204	—	—

Guinness Mahon Int. Fund (Guernsey)
PO Box 188, St. Peter Port, Guernsey. 0481 23506.

US$ Price	$21.14	22.00	—	6.00
£ Sterling Equivalent	£13.52	14.08	—	6.06
S.D.R. Equivalent	19.31	20.11	—	6.33

Prices at Jan 20. Next dealing Feb 3.

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong

Far Eastern Jan 26	HK$23.14	24.88	—	—
Japan Fund Jan 27	$10.28	11.03	-0.08	—

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey. 0481-26521

Capital Reserve Fund	£15.85	15.87	—	0.82
C.I. Fund	290.5	309.4	—	2.66
Special Sits. Fund	107.2	112.9	—	2.48
Sterling Income Fund*	112.4	117.4	—	12.78
Dollar Income Fund	$1.081	1.128	—	11.97
Trans. Nat. Trust	$1.083	1.130	—	2.81
Intnl. Bond	$103.85	109.32	—	9.66
Int. Equity	$17.55	18.47	—	1.99
Int. Svgs. 'A' $US	$1.50	1.58	—	—
Int. Svgs. 'B'	$2.36	2.71	—	—
Galleon Acs. Fund 'A'	$1.058	1.06	—	—
Galleon Acs. Fund 'B'	$1.122	1.190	—	—
Amer Spec Accts		$1.00	—	—

Henderson Admin. & Man. (Guernsey)
7 New St., St. Peter Port, Guernsey 0481 26541/2

American (US cents)	153.0	162.8	—	—
Nat. Res. (U.S. cents)	118.1	125.8	—	—
Gilt Fund	£9.97	10.57xd	—	11.83
Prime Res. Props.		100.0	—	—

Henderson Baring Group
1901, Edinburgh Tower, Hongkong.

Australia	$8.57	9.23	+0.81	—
Hong Kong	$11.53	12.92	—	—
Japan Tech.	$18.36	19.39	—	—
Japan Fund	$28.43	30.36	—	—
Malay Sing.	$17.85	19.22	—	—
Pacific Fd.	$11.788	12.577	—	—
Bond Fd.	$11.193	11.752	[illegible]	10.15

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St. Peter Port, Guernsey, C.I.

Guernsey Tst.	246.4	263.3	+3.2	2.93

Hill Samuel Investment Mngt. Intnl.
P.O. Box 63, Jersey. 0534 76029

UK Equities (C.I. Fd.)	164.7	175.6	—	3.50
UK Gilt (Jy. Fxd. Int.)	105.0	111.0	—	11.00
Int. Man. (Growth Fd.)	142.9	151.0	—	—

Int. Currency Fund

D. Mark	41.50	—	+0.02	—
£ Sterling	10.58	—	—	—
Swiss Franc	36.32	—	—	—
U.S. $	21.31	—	+0.01	—
Managed Fund	11.50	11.96	+0.05	—

Box 2622, Berne, Switzerland. Telex 33425

H.S. Overseas Fd.	SF25.88	26.93	[illegible]	—
Balanced (CSF Fund)	SF39.46	42.79	[illegible]	—
Crossbow	SF6.01	6.36	-0.03	—
Technology (ITF Fd)	$14.45	15.24	+0.15	—

HK Fund Managers (Jersey) Ltd
Queens Hse, Don Rd, St Helier, CI 0534 71460

HK Gilt Fund Acc.	107.0	111.0	—	—
HK Gilt Fund (Dist.)	100.0	104.0xd	—	11.62

I.C. Trust Managers Ltd.
10, St. Georges St., Douglas, IoM 0624 25015

Int. Commodities Tst.	87.5	93.3	—	—

Next dealing day Jan. 31

IGF Management Services Inc.
c/o Registrars, P.O. Box 1044, Cayman Is., BWI.

Interml. Gold Fund	$159.52	167.50	—	2.91

N.V. Interbeheer
P.O. Box 526, Delft, Holland

Esmeralda/OlterPce		DF184.80	+0.3	2.36

International Bond Trust
2, Boulevard Royal, Luxembourg

CISA A Nav Jan 28		$11.76	+0.09	—
CIS Nav Jan 28		$12.458	+0.10	—

International Pacific Inv. Mgmt. Ltd.
P.O. Box R237, 56, Pitt St., Sydney, Aust.

Javelin Equity Tst.	A$3.50	3.59xd	—	8.20

Invicta Investment Management
1 Charing Cross, St. Helier, Jersey 0534 73741

Gilt Growth Fund	12.91	13.49	—	[illegible]
Gilt Income Fund	9.56	9.99	—	12.06

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

J.F. Japan Tst.	Y2,685	—	—	0.70
Do. (Accum.)	Y2,727	—	—	—
J.F. Japan Small Co.	Y13,761	—	—	—
J.F. Japan Technology	Y7,641	—	—	—
J.F. Eastern Tst.	HK$27.34	—	—	2.2
Do. (Accum.)	HK$55.95	—	—	—
J.F. Pac. Secs. (Inc.)	$4.20	—	—	1.30
Do. (Accum.)	$4.66	—	—	—
J.F. Intnl. Tst.	$5.75	—	—	0.50
Do. (Accum.)	$6.20	—	—	—
J.F. S.E.A.	$29.64	—	—	2.40
Do. (Accum)	$30.79	—	—	—
J.F. PHI	$1.70	—	—	7.0
J.F. Cur. & Bd. Fd. (Inc.)	$11.20	—	—	9.00
Do. (Accum.)	$27.69	—	—	—
Japan & Pacific CwTst	$12.35	—	—	0.90
Australia Tst.	$6.01	—	—	—

NAV January 24. Next dealing January 31
London Agents: Robt. Fleming & Co. Tel: 01 283 2400

Leopold Joseph & Sons (Guernsey)
Hirzel Ct., St. Peter Port, Guernsey. 0481-26648.
L J & S Currency Fund
Telephone Manager for latest prices.

L.J. Internat. Fd.	£10.61	10.91	—	—
L.J. Sterling Fund	£15.92	15.93	—	—

Kleinwort Benson Group
20, Fenchurch St., EC3 01-623 8000

Guernsey Inc.	110.8	121.6	—	4.25
Do. Accum.	161.5	175.9	—	4.25
K.B. Eurobond Inc.	£15.53	15.64	—	[illegible]
K.B. Eurobond Fd. Acc.	£15.53	15.69	—	[illegible]
K.B. Far East (Gnsy.)	18.62	19.79	—	—
K.B. Gilt Fund	£20.45	20.58	—	11.60
K.B. Intl. Fund		$18.52	—	2.05
K.B. Japan Fund		$44.52	—	0.70
K.B. Sterl. Asset Fd	£15.03	15.039	—	—
KB US$ Money Mkt Fd	$1.0131	1.0152	—	—
K.B. U.S. Gwth. Fd.		$27.55	—	1.58
Signet Bermuda		$8.12	-0.19	2.05
Transatlantic Fd.		$45.74	—	2.30

Korea International Trust
Fund Man.: Korea Invest. Trust Co Ltd.
c/o Vickers da Costa Ltd, King William Street, London, EC4. 01-623 2494
NAV won 6,679.5. IDR value $8864.72.

The Korea Trust
Daehan Investment Trust Co. Ltd.
1-518, Yoido-dong, Yongdungpo-Ku, Seoul, Korea
NAV (January 22, 1983) won 10,406 ($US13.85).

Lazard Brothers & Co. (Jersey) Ltd.
P.O. Box 108, St. Helier, Jersey, C.I. 0534 37361

Laz. Bros. Int. Cap.	$9.56	10.60	—	1.00
Laz. Bros. Int. Inc.	$1,352.88	1,393.65	—	10.58
Laz. Bros. Int. Acc.	$1,265.46	1,328.80	—	10.58
Laz. Bros. Int. Asset	$1,003.91	—	—	—
Laz. Bros. Int. Asset	$519.61	—	—	—
Laz. Bros. Int. Asset	Y25,504	—	—	5.50
Laz. Bros. Int. Asset	DM253.05	—	—	5.50
Laz. Bros. Int. Asset	SF300.72	—	—	1.50
Laz. Bros. Far East	$11.27	12.53	—	1.00
Capital Gwth Bnd.	$1,316.39	1,360.72	—	—

Lloyds Bank (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey. 0534 27561

Lloyds Tst. O'seas	104.5	111.1	—	1.55
Lloyds Trust Gilt	£9.84	9.85xd	—	12.40

Next dealing date Feb 2.
Next dealing February 2.

Lloyds Bank International, Geneva
P.O. Box 438, 1211 Geneva 11 (Switzerland).

Lloyds Int. Growth	SF762.00	792.50	—	[illegible]
Lloyds Int. Income	SF278.50	287.00	—	7.00

Lloyds Bank International, Guernsey
P.O. Box 136, Guernsey. 0481 26761

Alexander Fund		$15.99	—	—

Net asset value January 17.

Louis Dreyfus Commodity Fund
c/o Trustee, P.O. Box 1092, Cayman Islands.
January 14. Valuation $5,853.12

M & G Group
Three Quays, Tower Hill EC3R 6BQ 01-626 4588

Atlantic Ex Jan 25	$6.55	6.97	—	—
Australian Ex Jan 26	$3.56	4.17	—	—
Gold Ex Jan 26	$56.85	60.46	—	3.36
(Accum. Units)	$86.24	91.93	—	3.36
Island	203.2	216.2	+0.6	3.27
(Accum Units)	337.0	358.6	+1.0	3.27

Management International Ltd.
Bk. of Bermuda Bldg., Bermuda. 809-295-4000

Bda. Intl. Bd. Fd. Cap.		$15.87	—	—
Bda. Intl. Bd. Fd. Inc.		$11.73xd	—	12.00

Prices on Jan. 21. Next dealing Jan 28.

Manufacturers Hanover Asset Mgt
PO Box 92, St Peter Port, Guernsey. 0481 23961

Geofund Liq Ass Inc£	$102.52	102.54	+0.09	14.57
Geofund Liq Ass Acc$	$117.62	118.06	+0.11	14.99

Midland Bank Tst. Corp. (Jersey) Ltd.
28-34, Hill St., St. Helier, Jersey. 0534 36281

Mid. Bk. O'shore Gilt.	101.7	101.6xd	-0.5	11.61
Mid. Bk. Int. Bond	$1.20	1.21	—	8.26

Minerals, Oils Res. Shrs. Fd. Inc.
PO Box 194, St. Helier, Jersey. 0534 27441

MORES Jan 20	$12.33	12.76	—	3.73

Samuel Montagu Ldn. Agents
114, Old Broad St., EC2. 01-586 6464

Am-Eq Jan 28	70.7	74.4	+0.3	6.20
Apollo Fd. Jan. 25	SF69.12	75.24	—	1.24
Japfest Jan 15	HK$26.41	25.59	—	0.76
117 Group Jan. 14	$15.96	17.17	—	1.51
117 Stlg. Res. Jan. 25	£12.84	12.85	—	—
Jersey Fd Jan 19	£10.51	11.46	—	—

Murray, Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C2. 041-221 5521

Hope St Dec 31		$52.89	—	—
Murray Fd Jan 15		$22.43	—	—
Pacific Fund Dec 31		$5.92	—	—

Nat. Westminster Jersey Fd. Mgrs. Ltd.
23/25 Broad St., St. Helier, Jersey. 0534 70041

High Income Fund	52.4	54.0	—	[illegible]
Equity Fund	73.2	77.8	+1.0	[illegible]
International Bond*	67.0	69.0	—	7.54

*Sub. day every Thurs.

Negit S.A.
10a Boulevard Royal, Luxembourg

NAV Jan. 24	$10.09	—	—	—

N.E.L. International Ltd.
P.O. Box 119, St. Peter Port, Guernsey, C.I.

Sterling Deposit	65.4	68.9	—	—
Sterling Fixed Interest	74.6	78.6	—	—
Sterling Managed	69.8	73.9	—	—
Intl. Fixed Interest	85.2	92.6	—	—
Intnl. Managed	76.6	83.3	—	—

Newport International Management
Bk. of Bermuda Bldg., Bermuda 809 295 4000

Npt. Intl. Securities	$13.63	—	—	—
Npt. Intl. Inc. Fd.	$13.10	—	—	—

Normandy Trust Managers Ltd.
29, Athol Street, Douglas, I.o.M. 0624 21728

Normandy Metal Trust	£1.5730	1.6187	—	[illegible]
Normandy Com. Tst.	£1.5649	1.6174	—	[illegible]
Camb. Currency & Gd.	£1.2410	1.2540	—	7.00

Northgate Unit Tst. Mngrs. (Jersey)
31, Pier Road, St Helier, Jersey, CI.

Pacific Fd Jan 26	$9.80	10.52	—	—

Pacific Basin Fund
10a Boulevard Royal, Luxembourg.

NAV		$15.05	+0.11	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Perpetual U.T. Mgrs (Jersey) Ltd.
See Currencies Page Mon-Fri and Stock Exchange Dealings Page Sat.

Phoenix International
PO Box 77, St. Peter Port, Guern. 0481 26741

Inter-Dollar Fund	$3.87	4.18	—	—
Far East Fund	$2.90	[illegible]	—	—
Intl. Currency Fund	$1.74	[illegible]	—	—
Dollar Fxd. Int. Fund	$3.30	[illegible]	—	—
Ster. Exempt Gilt Fd.	£1.99	2.15	—	—

Providence Capitol International Ltd.
PO Box 121, St Peter Port, Guernsey 0481 26726/9

UK Stockmarket	£1.250	1.332	—	—
Intl. Stockmarket	$0.949	1.027	—	—
World Technology	$1.019	1.096	—	—
N. Am. Stockmarket	$1.160	1.247	—	—
Far East	$0.848	0.923	—	—
UK Fixed Interest	£1.115	1.199	—	—
Intl. Fixed Int.	$1.046	1.125	—	—
Intl. Currency	$0.977	1.051	—	—
Intl. Money Market	$1.014	1.090	—	—
U K Money Market	£0.997	1.072	—	—
Stlg. Mangd. Fd.	£1.057	1.136	—	—
Dollar Mangd. Fd.	$1.031	1.106	—	—

Savings Target Rate $11.010
Prices on Jan 26. Next dealing Feb 2.

Quest Fund Man. (Jersey) Ltd.
PO Box 194, St Helier, Jersey. 0534 27441

Quest Stlg. Fxd. Int.	£0.773	[illegible]	—	11.00
Quest Intl. Secs.	$0.961	[illegible]	—	1.16
Quest Intl. Bd.	$0.629	[illegible]	—	[illegible]

Prices on Jan 26. Next dealing date Feb 2.

Quilter/Heinold Commodities
31-45, Gresham Street, EC2V 7LH. 01-600 4177

Recv Fd Int Jan 4	[illegible]	[illegible]	—	[illegible]

Next dealing date February 1.

Richmond Life Ass. Ltd.
4 Hill Street, Douglas, I.O.M. 0624 23914

Coin Trust	[illegible]	[illegible]	—	—
Diamond Bond	88.2	[illegible]	—	—
Gemstone Trust	[illegible]	[illegible]	—	—
Gold Bond	[illegible]	[illegible]	+0.5	—
Managed Fund	[illegible]	[illegible]	—	—
Petroleum Oil	[illegible]	[illegible]	—	—
Do. $	[illegible]	[illegible]	—	—
Silver Trust	[illegible]	[illegible]	[illegible]	—
Sterling Deposit Bd.	[illegible]	[illegible]	[illegible]	10.77
Oil Gilt Fund	[illegible]	[illegible]	[illegible]	—

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481-26741

O.C. [illegible]	[illegible]	[illegible]	—	[illegible]
O.C. [illegible]	[illegible]	[illegible]	—	[illegible]
O.C. Commodity	[illegible]	[illegible]	—	[illegible]
O.C. [illegible]	[illegible]	[illegible]	—	[illegible]
O.C. Hong Kong	[illegible]	[illegible]	—	—

**O.C. International Reserves Ltd

Canadian $	[illegible]	Swiss Franc	[illegible]
D-Mark	[illegible]	Japanese Yen	[illegible]
Dutch Guilder	[illegible]	Sterling	[illegible]
French Franc	[illegible]	U.S. $	[illegible]
Italian Lira	[illegible]		

[illegible]

Royal Bank of Canada Funds
RBC Invest. Manager Ltd
PO Box 246, St Peter Port, Guernsey 0481 29021

Intl Income Fd.	[illegible]	[illegible]	—	—
Intl Capital Fd.	[illegible]	[illegible]	-0.12	—
North America Fd.	[illegible]	[illegible]	—	—

RBC Intl Currency Fd Ltd

U.S.$	—	[illegible]	+0.01	—
Canadian $	—	[illegible]	—	—
£ Sterling	—	[illegible]	+0.01	—
D-Mark	—	[illegible]	—	—
Swiss Franc	—	[illegible]	+0.01	—
Japanese Yen	—	[illegible]	—	—
Managed Fund	—	[illegible]	-0.02	—

Daily Dealings

Save & Prosper International
Dealing to:
P.O. Box 73, St. Helier, Jersey 0534 73933
Fixed Interest Funds

Deutschmark	[illegible]	[illegible]	—	5.16
Dlr. Fxd. Int.	[illegible]	[illegible]	—	9.12
St. Fixed	[illegible]	[illegible]	—	11.76
Yen Bond	[illegible]	[illegible]	—	1.46

Equity Funds

UK Growth	[illegible]	[illegible]	—	1.03
Internat.	[illegible]	[illegible]	—	—
Far Eastern	[illegible]	[illegible]	—	—
North American	[illegible]	[illegible]	—	—
Sepro	$18.13	[illegible]	—	—

Commodity Funds

Commodity	[illegible]	[illegible]	+0.2	—
Gold	[illegible]	[illegible]	—	4.80

Multicurrency Reserve Fund

U.S. $	[illegible]	—	—	8.15
D Mark	[illegible]	—	—	1.08
£ Sterling	[illegible]	—	—	10.09
Yen	[illegible]	—	—	5.33

Deposit Fund

St. Deposit	[illegible]	[illegible]	+0.3	0.15

[illegible] Daily dealings.

Schroder Mngt. Services (Jersey) Ltd.
P.O. Box 195, St Helier, Jersey. 0534 27561
See Currencies Page Mon-Fri and Stock Exchange Dealings Page Sats.

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, EC2. 01-588 4000

[illegible]	[illegible]	[illegible]	—	2.00
[illegible]	[illegible]	[illegible]	—	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	2.62
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan [illegible]	[illegible]	[illegible]	—	0.64
Trafalgar [illegible]	[illegible]	[illegible]	—	—

Schroder Unit Trust Mngrs. Int. Ltd.
PO Box 273, St Peter Port, Guernsey. 0481 29750

Mngd. Funds	[illegible]	[illegible]	—	6.62
£ Fixed Interest	[illegible]	[illegible]	—	[illegible]
[illegible]	[illegible]	[illegible]	—	3.18
$ Fixed Interest	[illegible]	[illegible]	—	8.66
[illegible]	[illegible]	[illegible]	—	0.42
[illegible]	[illegible]	[illegible]	—	3.52

Schroder Life Assurance Intl. Ltd.

[illegible]	[illegible]	[illegible]	—	6.62
[illegible]	[illegible]	[illegible]	—	[illegible]
[illegible]	[illegible]	[illegible]	—	3.14
[illegible]	[illegible]	[illegible]	—	[illegible]
[illegible]	[illegible]	[illegible]	—	[illegible]
Hong Kong [illegible]	[illegible]	[illegible]	—	4.00

Scimitar Kemp-Gee Mngmt., Jersey
[illegible] 0534 73741.

[illegible]	[illegible]	[illegible]	—	—
[illegible]	[illegible]	[illegible]	—	7.30
Gilt [illegible]	[illegible]	[illegible]	—	—

Securities Selection Ltd.
[illegible] 0481 26268

[illegible]	[illegible]	[illegible]	—	—

Senior Assurance International Ltd.
P.O. Box [illegible], Hamilton 5, Bermuda.

Managed Fund	[illegible]	[illegible]	—	—

Singer & Friedlander Ldn. Agents
[illegible] 01-623 3000

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tokyo Tst Jan [illegible]	—	[illegible]	—	2.60

[illegible] Trust Mngrs. Ltd.
[illegible] 0624 23914

[illegible]	[illegible]	[illegible]	—	—

Stronghold Management Limited
P.O. Box [illegible], St. Helier, Jersey 0534-71460

Commodity Trust	[illegible]	[illegible]	—	—

Surinvest (Jersey) Ltd.
4, Hill St., Douglas, Isle of Man 0624 23914

Copper Trust	[illegible]	15.09	+0.30	—

TSB Trust Funds (C.I.)
10 Wharf St., St. Helier, Jersey (CI). 0534 73494

TSB Gilt Fund Ltd.	[illegible]	[illegible]	—	11.78
TSB Gilt Fd. (Jsy.) Ltd.	[illegible]	[illegible]	—	11.58
TSB [illegible]	[illegible]	[illegible]	—	4.95
TSB Guernsey Fund	[illegible]	[illegible]	—	4.95

Prices on Jan 26. Next sub day Feb 2.

Tokyo Pacific Holdings N.V.
Intimis Management Co. N.V., Curacao.
NAV per share January 24 $52.96.

Tokyo Pacific Hldgs. (Seaboard) N.V.
Intimis Management Co. N.V., Curacao.
NAV per share Jan [illegible] $57.31.

Tyndall Bank Isle of Man Ltd.
30 Athol St., Douglas, Isle of Man 0624 29201

St. Money Fund	—	—	—	11.00

Tyndall Group
2 New St., St. Helier, Jersey. 0534 37331/3

TOFSL Jan 27	[illegible]	15.55xd	—	1.54
(Accum. Shares)	[illegible]	[illegible]	—	—
American Jan 27	[illegible]	[illegible]	—	2.96
(Accum. shares)	[illegible]	[illegible]	—	—
Far Eastern Jan 27	157.4	[illegible]	—	0.84
(Accum. shares)	180.2	[illegible]	—	—
Jersey Fd. Jan 26	[illegible]	[illegible]	—	7.65
(Non-J. Acc. Uts.)	[illegible]	[illegible]	—	—
Gilt Fd. Jan 26	[illegible]	[illegible]	—	10.66
(Accum. shares)	[illegible]	[illegible]	—	—

Victory House, Douglas, Isle of Man. 0624 24111

High Inc Gilt Jan 26	[illegible]	[illegible]	—	13.13
(Accum. Shares)	[illegible]	[illegible]	—	—
International Equity	[illegible]	[illegible]	—	—
Do. $	[illegible]	[illegible]	—	—
Pacific Eq.	[illegible]	[illegible]	—	—
Do. $	[illegible]	[illegible]	—	—
North Amer. Equity	[illegible]	[illegible]	—	—
Do. $	[illegible]	[illegible]	—	—
UK Equity	[illegible]	[illegible]	—	—
Do. $	[illegible]	[illegible]	—	—
Internatl. Fixed Int.	[illegible]	[illegible]	—	—
Do. $	[illegible]	[illegible]	—	—
Sterling Fixed Int.	[illegible]	[illegible]	—	—
Do. $	[illegible]	[illegible]	—	—
Dollar Deposit	[illegible]	[illegible]	—	—
Do. $	[illegible]	[illegible]	—	—
Sterling Deposit	[illegible]	[illegible]	—	—
Do. $	[illegible]	[illegible]	—	—
Commodity	[illegible]	[illegible]	—	—
Do. $	[illegible]	[illegible]	—	—
Gold	[illegible]	[illegible]	—	—
Do. $	[illegible]	[illegible]	—	—
UK Property	[illegible]	[illegible]	—	—
Do. $	[illegible]	[illegible]	—	—
Internatl. Managed	[illegible]	[illegible]	—	—
Do. $	[illegible]	[illegible]	—	—
UK Managed	[illegible]	[illegible]	—	—
Do. $	[illegible]	[illegible]	—	—

Tyndall—Guardian Mngmnt. Ltd.
PO Box 1256, Hamilton, Bermuda

T-G North American	$20.20	—	—	—
T-G [illegible]	[illegible]	—	—	—
T-G Eurobond	[illegible]	—	—	—
T-G Commodity	[illegible]	—	—	—
T-G [illegible]	[illegible]	—	—	—
T-G [illegible]	$10.52	—	—	—
T-G [illegible]	[illegible]	—	—	—
T-G Wall Street	[illegible]	[illegible]	—	—

M. G. Tyrrell & Co. Ltd.
P.O. Box 415, London W13 9NY

[illegible]	—	[illegible]	—	—

Union-Invest. Fd. Mgt. Co. SA [illegible]
[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	—

Union-Investment-Gesellschaft mbH
Postfach [illegible], D 6000 Frankfurt 16

[illegible]	[illegible]	[illegible]	—	—
Unifonds	[illegible]	[illegible]	[illegible]	—
Unirak	[illegible]	[illegible]	-0.1	—

U.S. Financial Management Ltd.
42, Essex Street, London WC2. 01-353 6845

Pandoro O'rFd	$9.11	—	—	—

Vanbrugh Fund Mngmt. Intl. Ltd.
28-34 Hill St., St. Helier, Jersey. 0534 36281

Vanbrugh Currency	[illegible]	124.5	-0.2	7.98

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

Eng Intnat. [illegible]	—	[illegible]	+0.2	—
Merc. Ebd. [illegible]	[illegible]	15.01	—	5.70
Select Rl. Jan 15	[illegible]	[illegible]	—	—

Warburg Invest. Mngt. (I.O.M.) Ltd.
1 Thomas St., Douglas, Isle of Man 0624 4856

Merc. [illegible]	[illegible]	[illegible]	+0.1	[illegible]
Merc. Intl. Bond [illegible]	[illegible]	[illegible]	+0.4	[illegible]

Warburg Invest. Mngt. Jrsy. Ltd.
[illegible] 0534 74715

[illegible]	[illegible]	[illegible]	—	2.51
[illegible]	[illegible]	[illegible]	—	[illegible]
[illegible]	[illegible]	[illegible]	—	—
[illegible]	[illegible]	[illegible]	—	[illegible]
[illegible]	[illegible]	[illegible]	—	2.03
[illegible] Jan 24	[illegible]	[illegible]	—	—

Wardley Investment Services Ltd.
4th Floor, Hutchison House, Hong Kong

Wardley Trust	[illegible]	[illegible]	—	4.42
Wardley [illegible]	[illegible]	[illegible]	—	[illegible]
Wardley Bond Trust	[illegible]	[illegible]	—	[illegible]
Wardley Japan Trust	[illegible]	[illegible]	—	1.10

Whitburgh Fund (Guernsey) Ltd
PO Box 214, St Peter Port, Guernsey 0481 27765

Gilt [illegible]	[illegible]	[illegible]	—	3.00

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth. Feb [illegible]		—	+0.10	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas, IoM 0624 25015

Wren Cmdt. Fund	[illegible]	[illegible]	—	3.13
Chrysaor Fund	[illegible]	[illegible]	—	1.79
Precious Metal Fund	[illegible]	[illegible]	—	0.50
Vanguard Cmdy. Fd.	[illegible]	[illegible]	—	2.26
Financial Futures Fd.	[illegible]	[illegible]	—	—
Wren Intl. Fnd.*	$0.928	[illegible]	—	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

"Recent Issues" and "Rights" Page 30

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101¾	95¾	Treasury 12pc 1983‡‡	100⅛	.....	11.99	11.25
100⅛	92⅞	Treasury 9½pc '83	99⅝	.....	9.31	10.72
104⅝	96⅞	Exch. 13½pc '83	101¾	.....	13.27	11.07
101¾	91¾	Exch. 10pc 1983	99⅜	+1/16	10.06	10.71
96⅛	87⅝	Funding 5½pc '82-84‡‡	97	+⅛	5.67	8.85
103¾	91⅞	Exch. 11¼pc 1984	100⅜xd	+⅛	11.21	10.98
107⅛	96¾	Exchequer 14pc 1984	103¼	+⅛	13.56	11.23
94½	81¼	Exch. 3pc 1984	93⅛	.....	3.22	8.36
105¼	91½	Treasury 12pc 1984	101¼	+½	11.85	11.25
112	96¾	Treasury 15pc 1985	106⅝xd	+⅛	14.07	11.33
112¼	89½	Exch. 12pc Cnv. '85	102¾	+¼	11.68	10.53
91¾	73½	Treasury 3pc 1985	89⅜	.....	3.36	8.15
105½	87½	Treasury 11½pc 1985	100⅞	+⅛	11.40	11.09
102	95½	Treas 8¼pc Cnv 85 (£60pd)	96½	+⅛	9.08	10.36
107⅝	88⅝	Exch. 12¼pc 1985	101⅞	+⅛	12.02	11.42
106⅝	86⅛	Exch. 11¾pc '86	100⅞xd	+1/16	11.65	11.42
89½	69	Treasury 3pc 1986	86½	.....	3.47	7.73
107¼	86¼	Treasury 12pc '86	101⅝	+⅛	11.81	11.39
100	80¾	Treasury 8¼pc '84-86‡‡	95⅝	+¼	8.89	10.04
116¾	96⅞	Treas. 12¼pc '86 Cnv.	106¼	+½	11.54	10.07
114	91⅞	Exch. 14pc 1986	107⅛	+¼	13.07	11.57
112	90	Exch. 13¼pc 1987	105¼	+¼	12.59	11.56
84	63½	Exchequer 2½pc 1987	83⅞	+⅛	2.98	7.14
103½	95⅞	Exch. 10½pc 1987	97¼	+⅛	10.80	11.32
93⅛	73⅞	Funding 6½pc '85-87‡‡	91¼	+⅛	7.12	9.02
85¼	64½	Treasury 3pc 1987	84⅝	−⅛	3.54	7.05
109	85⅞	Treas. 12pc 1987	101⅝	+¼	11.84	11.60
98	72½	Treasury 7¾pc '85-88‡‡	91	+¼	8.52	10.09

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS & HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
250	75	Falcon Rh.50c.	250	+25	Q25c	10.9	7.0
33	18	Wankie Col. Z$1.	18	......	†Q3c	1.2	11.3
24	12	Zam.Cpr.SBD0.24	23	+1	—	—	—

Australians

Miscellaneous

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
130	27	♥Colby Res Corp.	115	......	—	—	—
440	170	Cons. Murch. 10c.	413	+3	‡Q60c	1.9	‡
3	1½	‡‡Explaura Gold	4	......	—	—	—
150	55	♥Highwood Res	150	......	—	—	—
£40½	£25	Homestake Mining $1	£39½	+½	Q40c	—	0.6
470	160	Northgate C$1	420	+5	—	—	—
533	344	R.T.Z.	525	......	16.0	1.6	4.4
£120	£84	[illegible]	£117½	......	Q9½%	23.9	f8.2
26	11	♥Sabina Inds C$1	26	......	—	—	—
17	12½	♣Southwest Res 10p.	17	+4	—	—	—
530	270	♥Tara Expln $1	500	+20	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- $ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¶ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	48	......	Exch. 15pc 1983	£99⅞	......
Bertrams	17¢	......	Nat. 9¾% 84/89	£79¾	+¼
Bdg'wtr. Est. 50p	463	+3	Fin. 13% 97/02	£89¾	+¼
Craig & Rose £1	£12½	......	Alliance Gas	125	......
Finlay Pkg. 5p	31	......	Arnott	188	......
Graig Ship. £1	£21	......	Carroll (P.J.)	60	......
Higsons Brew	102	......	Concrete Prods	53	......
Holt (Jos) 25p	880	......	Helton (Hldgs.)	16	......
I.O.M. Stm. £1	105	......	Ins. Corpn. Ireland	360	......
Pearce (C. H.)	£12	......	Irish Ropes	26	......
Peel Hldgs.	160	......	Jacob	81	......
			T.M.G.	95	......
			Unidare	42½	......

OPTIONS

3-month Call Rates

Industrials		House of Fraser	15	Utd. Drapery	7
Allied-Lyons	15	I.C.I.	24	Vickers	12
BOC Grp.	17	"Imps"	10	Woolworth Hld.	15
B.S.R.	6	I.C.L.	8		
Babcock	18	Ladbroke	16	**Property**	
Barclays Bank	35	Legal & Gen.	28	Brit. Land	7½
Beecham	35	Lex Service	16	Cap. Counties	12
Blue Circle	44	Lloyds Bank	35	Land Secs.	26
Boots	22	"Lots"	4	MEPC	17
Bowaters	19	London Brick	11	Peachey	14
Brit. Aerospace	20	Lucas Inds.	12	Samuel Props.	10
B.A.T.	50	"Mams"	12	Town & City	3
Brown (J.)	4	Mrks. & Spncr	16		
Burton Ord.	24	Midland Bank	30	**Oils**	
Cadburys	11	N.E.I.	9	Brit. Petroleum	26
Courtaulds	6	Nat. West. Bank	38	Burmah Oil	12
Debenhams	8½	P & O Dfd.	14	Charterhall	5
Distillers	20	Plessey	50	KCA	8
Dunlop	5½	Racal Elect.	45	Premier	4
Eagle Star	30	R.H.M.	6	Shell	35
F.N.F.C.	4	Rank Org. Ord.	15	Tricentrol	22
Gen. Accident	30	Reed Intnl.	26	Ultramar	42
Gen. Electric	26	Sears	4		
Glaxo	90	T.I.	13	**Mines**	
Grand Met.	25	Tesco	8		
G.U.S. 'A'	50	Thorn EMI	38	Charter Cons.	20
Guardian	35	Trust Houses	13	Cons. Gold	40
G.K.N.	15	Turner & Newall	4	Lonrho	8
Hawker Sidd	30	Unilever	65	Rio T. Zinc	42

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 30

FINANCIAL TIMES

Saturday January 29 1983

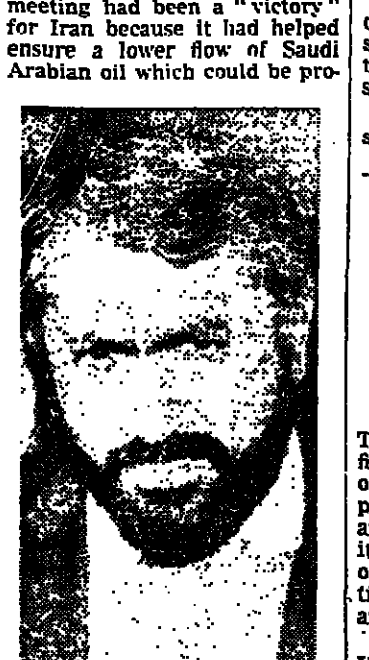
MAN IN THE NEWS

Opec's most political animal

BY RICHARD JOHNS AND TERRY POVEY

By any criterion the failure of the Organisation of Petroleum Exporting Countries to agree on production quotas and price differentials was another serious setback to the common cause of maintaining the value of oil. That much would have been acknowledged in varying ways by all chief delegates, whatever their conflicting views and interests—except Mr Mohammed Gharazi, Iran's Minister of Oil.

Bearded in the conventional manner of an Islamic revolutionary zealot and with his shirt open at the neck, Ayatollah Khomeini's pugnacious representative explained that the meeting had been a "victory" for Iran because it had helped ensure a lower flow of Saudi Arabian oil which could be pro-



Mohammed Gharazi

duced instead by Iran. Thus, the Kingdom "will not have the financial capacity to help Saddam any more"—a reference to its aid which has been largely instrumental in enabling President Hussein of Iraq's regime to survive in the continuing conflict with Iran. At a closed ministerial session a delegate who argued for a lower price level to stimulate demand for Opec oil in anticipation of peace and resumed Iraqi exports through the Gulf, was told by Mr Gharazi "mind his own business."

Opec had succeeded remarkably in keeping under control political differences until they intruded blatantly in the form of Khomeini's regime, a phenomenon epitomised by Mr Gharazi. His revolutionary credentials are impeccable. Born in Sfahan in 1941 of a clerical family he obtained a degree in electronic engineering. In 1969 he was dismissed from his job with the National Iranian Oil Company and in 1970-71 goaled by Savak, the dreaded secret police, for his political activity against the Shah. He left Iran in 1976 for the Najjaf, the Shi'ite religious centre in Iraq and subsequently joined Khomeini in France.

Mr Gharazi was briefly Governor of Kurdistan before being given responsibility for the oil-rich province of Khuzestan. There he rose to national prominence in the summer of 1980 when he ruthlessly ordered the arrest of senior military officers on charges of subversion replacing them with Revolutionary Guards. The measure subsequently condemned by Mr Abolhassan Bani-Sadr, the then President, because of the chaos caused to Iran's defences at the time of Iraq's assault in September 1980. As Governor, Gharazi took charge of the "popular resistance forces" in the area. Interviewed at his headquarters on the top of a five-storey office block in the centre of Ahwaz, he explained why he had chosen to move from his less exposed office: "If Iraqi MiGs attack the city and hit this building, I will be the first to die."

Deadlock over the appointment of a successor to the present incumbent Dr Marc Nan Nguema whose term expires in mid-year is unresolved. OPEC statutes say that the Secretary-General should be elected on the basis of unanimous acceptance. Otherwise he has to be chosen on rotational basis according to nationality, either in order of alphabetical sequence or admission to membership. Under that system Iran is next in line either way and determined to nominate its own man. It is largely because of Mr Gharazi's performance that other members have grave misgivings about Tehran exercising such an option. Some seemingly well-informed reports suggest that the more pragmatic elements in the regime are becoming embarrassed by him and that his.

DRASTIC SHAKE-UP AHEAD OF FURTHER POLL TESTS

Gandhi ministers resign in Cabinet 'cleansing'

BY K. K. SHARMA IN NEW DELHI

MRS INDIRA GANDHI, the Prime Minister of India, yesterday launched a drastic "cleansing" operation among her ministers and senior office-holders of her Congress (I) Party after suffering defeat in two state elections this month.

By last night she had obtained resignations from most of her senior and junior ministers. *This will enable her to drop* whoever she wishes in a major cabinet reshuffle expected in the next few days. All the 60 ministers' resignations were expected to be with her by today.

The resignations are meant to give Mrs Gandhi a free hand in forming a performance-motivated cabinet and in getting rid of the corrupt or inefficient deadwood she believes to be responsible for giving Congress a bad reputation among a disillusioned electorate.

The electors voted her party out of office in two south Indian states. The defeats were a blow to Mrs Gandhi, who faces more state elections next month.

Mrs Gandhi's defeats in the states of Andhra Pradesh and Karnataka—both formerly Congress (I) Party strongholds—were interpreted as a rejection of her style of government.

Should her party fare badly in next month's elections, which include municipal elections in New Delhi, now effectively under central government rule, then it would be clear the country as a whole is turning against her.

The present operation is reminiscent of the method used by the late Mr Jawaharlal Nehru, Mrs Gandhi's father, to get rid of senior ministers, when he was Prime Minister.

As Mr Nehru did, Mrs Gandhi has let it be known that the ministers she allows to leave will work to improve the organisation of the battered Congress (I) Party. In fact, if the Nehru pattern is followed, they will be jettisoned.

One difficulty Mrs Gandhi will encounter is the lack of talented men in her Congress parliamentary party, most members of which were picked by Mr Sanjay Gandhi, her late younger son, who died in an air crash in 1980. They are mostly his followers, not hers. There is speculation in New Delhi that Mrs Gandhi may induct outsiders and then have them elected to parliament.

The second part of Mrs Gandhi's cleansing operation is to shake up the Congress (I) Party itself. With this in view she has obtained the resignations of its four national general secretaries. She has appointed Mr Kamalapati Tripathi, her former Railways Minister, as the party's "working president." He is an ageing but much-respected politician in the key northern state of Uttar Pradesh.

The third phase of the operation is to clean up the administration in the Congress-ruled states where chief ministers have proved to be corrupt and inefficient. Mrs Gandhi's emissaries are expected to obtain their resignations in the next few days.

Mrs Gandhi's moves come amid increasing signs of unity among the fragmented opposition in India, which recently co-operated to enable the divided Janata Party to form the government in Karnataka State. Yesterday a faction of the Lok Dal announced its merger with the Janata.

Government tightens controls on offshore life insurance sales

BY ERIC SHORT

THE GOVERNMENT is taking firm measures to control the UK operations of offshore life companies and to crack down on any irregularities. Yesterday, it introduced tougher controls on advertisements and promotional literature issued by them and their UK agents.

And today Dr Gerard Vaughan, Minister of State for Consumer Affairs, will announce that the Department of Trade is investigating the affairs of Overseas Financial Services, the UK agent for the Victoria Life Assurance Company, registered in Tortola in the Virgin Islands.

The investigation is under section 109 of the Companies Act, which allows the DoT to *set up a private initial inquiry* into a company's affairs.

The Government has so far refrained, however, from introducing more direct controls on the UK operations of offshore life companies.

The ease with which an offshore life company can operate in the UK with a minimum of interference from the authorities was highlighted last year when Signal Life, a Gibraltar-registered company, ran into financial problems. This led to considerable criticism of the present system and a call for tougher controls.

Dr Vaughan, who is to make his announcement on the BBC Radio 4 Money Box programme today at noon will be breaking with precedent. Investigations under Section 109 are usually kept confidential.

The DoT last night confirmed the announcement, but would not give any details of the reference given to the investigators. *It is known that Overseas* Financial Services was marketing a range of guaranteed income and growth bonds issued by Victoria Life to UK investors.

An investigation under Section 109 can lead to prosecution in the courts or to a much more public inquiry under Section 165 of the Companies Act. The Government investigated Hanover Financial Services, the UK agent for Signal Life under Section 109 and this has been followed by an investigation under Section 165.

Regulations laid before Parliament yesterday require offshore companies to give much more detail in their advertisements of the contract. Details of the company, its UK agents, its investment managers and any trustee will also be required, and details of connections between these.

In particular, there must be a warning notice, the precise wording being given in the regulations, that the company is not supervised by the UK authorities and investors are not covered by the 1975 Policyholders' Protection Act.

Savings and Investments, Page 7

Continued from Page 1

Water workers

mined to be resolute in response to union pressure after the voting and they will not agree to fresh negotiations aimed at improving the basic rate element of the package.

Arbitration seems increasingly like the only way out if both sides want to avoid a hard-fought, lengthy and damaging strike. The employers will be reluctant to initiate a reference to arbitration, because it would open up the entire negotiations for scrutiny.

Initiation of arbitration would also tend to signal to the unions that the employers were prepared to make more money available, which they insist they are not.

However, they feel that under the terms of a formula agreed with the Advisory, Conciliation and Arbitration Service, trey have to co-operate with an arbitration reference if the unions make it. They are likely to press hard for the strike to be suspended to allow any arbitration to take place.

Union leaders are unlikely to move quickly towards arbitration. They have steadfastly resisted such a move since November.

The size of the vote to reject the current offer may be taken as a clear indication that members want to pursue the original claim for rises to take them up to the "upper quartile," or top 25 per cent, of outside earnings.

Even so, Acas officials are likely to make fresh contact with both sides once the unions have delivered their rejection today and the employers consider it on Monday.

Though there is a clear desire in Whitehall to lower the temperature of the dispute, union officials were angry to learn of a new meeting on Thursday between three water authority chairmen, led by Sir William Dugdale, chairman of the National Water Council and Mr Tom King, Environment Secretary, to discuss pay and the strike.

Continued from Page 1

Utah

News of the Utah deal came almost simultaneously with BHP's announcement of a further 1,500 lay-offs at its steelworks in Newcastle, New South Wales, where the workforce had already fallen from 10,668 last May to 7,852 in December. There have also been 3,2850 lay-offs at BHP's Port Kembla steelworks.

The day's developments angered steel unions, as well as the New South Wales Premier, *Mr Neville Wran*, who believe BHP sees its future in minerals and energy, and not in steel.

In the year ended May, 1982, BHP made a net profit of A$365m. It showed a large profit in oil and gas, and a much smaller one in minerals; but its steel division, battered by fast-rising wage costs and import competition, showed a A$12.6m loss against a profit the year before of A$106m.

Wall Street yesterday viewed *GE's decision to sell Utah with* mixed feelings.

Warning on BT monopoly

BY JASON CRISP

BRITAIN'S leading telecommunications suppliers have warned the Government that the legislation to turn British *Telecom into a private company* would enable it to use its monopoly powers to destroy any competition.

The suppliers—which include GEC, Plessey, STC and Telephone Rentals—want severe restrictions placed on British Telecom's freedom to supply apparatus after it has been privatised.

They want British Telecom restricted to operating the network and providing telecommunication services. BT currently has around 95 per cent of the UK market for telephone apparatus. The Telecommunications Engineering and Manufacturing Association (TEMA) representing the suppliers, wants this restricted to 25 per cent within three to five year.

The British Telecom Bill, currently before Parliament, allows the Government to sell 51 per cent of BT to private investors. The Bill will also establish a regulatory body, the Office of *Telecommunications (Oftel)*, which will be given powers to prevent BT abusing its monopoly.

TEMA argues that BT has consistently lost money on the supply of apparatus; last year it lost £60m on a turnover of £600m. The suppliers would be at a considerable disadvantage because BT had a monopoly in the market and could also use the network to cross-subsidise sales of apparatus.

The suppliers also want the legislation to prohibit British Telecom from expanding its limited manufacturing base. The manufacturers fear that if BT were to manufacture and sell a product, the remaining market would be too small to be viable. Most members of TEMA are main suppliers of apparatus to British Telecom.

supply equipment contained in either the Bill or the licence which will have to be granted to BT when it becomes a private company. They do not believe OfTel will provide sufficient control.

TEMA also wants BT to lose its right to maintain all equipment attached to the network. Private companies can only maintain digital switchboards (PABX) under existing law.

The Government has rejected TEMA's proposals, although there is believed to be some sympathy on the maintenance issue. TEMA believes that while the Government wants open competition in UK telecommunications it is trying to protect British Telecom in order to get the best price for its shares.

It also believes the Government fears BT's largest union, the Post Office Engineering Union. TEMA proposals to deprive BT of much of the market

Leyland to close Bristol bus plant

By Kenneth Gooding, Motor Industry Correspondent

LEYLAND BUS, the BL subsidiary, is to close its Bristol Commercial Vehicles (BCV) plant by November with the loss of all 530 jobs. The move was forced by an "unprecedented decline" in demand for buses, said Leyland Bus.

Production of the Olympian double-deck bus chassis will be switched to the Workington, Cumbria, plant and the *component operations* **moved to the Farington plant at Leyland, Lancs, which already makes the most Olympian parts.**

The closure means an 11 per cent cut in Leyland Bus's 4,800 workforce.

Mr Dave Yeomans, divisional organiser for the engineering union AUEW (TASS), said the unions were shocked. They firmly believed the Bristol plant was viable.

"The intention to transfer existing work to other parts of *the Leyland group is an* **unacceptable proposal. The unions have agreed jointly to seek an urgent meeting at national level to consider alternatives to the company's proposals."**

An action committee has been formed to examine practical alternatives which could avoid "the devastating effect on Bristol's engineer*ing industry*.**"**

Mr Tony Benn, Labour MP for Bristol South-East, last night wrote to Mrs Thatcher asking her to intervene.

However, Leyland Bus insisted it had to reduce capacity and "BCV was the inevitable choice due to its size and the age and condition of its buildings which mean it has very limited potential."

BCV produced 470 bus chassis last year out of Leyland Bus's 1,600 for the UK market. This compared with 1,950 in 1980.

Leyland Bus said the decline in the UK bus market was "mainly due to reductions in public expenditure and the phasing-out of the Government grants towards the cost of new buses." There was little immediate prospect of any major upturn in the market.

The bus grant, in force for 12 years, covered half of the cost of a new bus but is being phased out. The grant, now down to 20 per cent, will disappear at the end of this year.

UK sales of double-deck buses totalled 2,280 in 1980 but fell to 1,495 last year. Leyland Bus forecasts industry sales will reach less than 1,100 this year.

Unipart job cuts, Page 3

Weather

UK TODAY

SUNNY intervals and showers.

London, SE, SW England, Midlands, S. Wales
Dry, sunny intervals. Cloudy with rain later. Max 7C (45F).

E, NW, NE England, N Wales
Sunny intervals, showers. Max 6C (43F).

Borders, S, SW Scotland, N Ireland
Squally showers, heavy at times. Max 6C (43F).

Rest of Scotland
Showers. Snow in places. Max 5C (41C).

Outlook
Becoming colder with sleet and snow in many places.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	15	59	Lisbon	S	14	57
Algiers	S	17	63	Locarno	S	11	52
Amsdm.	R	9	48	London	C	12	54
Athens	S	14	57	L. Ang.†	C	9	48
Bahrain	F	15	59	Luxmbg.	C	7	45
Barcina.	F	15	59	Luxor	S	16	61
Beirut	S	13	55	Madrid	S	10	50
Belfast	C	9	48	Majorca	S	17	63
Belgrd.	F	14	57	Malaga	S	15	59
Berlin	C	8	46	M'chstr	R	9	48
Biarritz	C	12	54	Mx. C.†		—	—
Bmghm.	R	10	50	Miami†	C	15	59
Blackpl.	R	8	46	Milan	Fg	2	36
Bordx.	R	12	54	Montrl.†	F	−15	5
Boulgn.	C	9	48	Moscow	Sn	1	34
Bristol	C	10	50	Munich	C	6	43
Brussels	R	9	48	Nairobi	F	27	81
Budpst.	R	10	50	Naples	C	11	52
Cardiff	R	10	50	N'wcstl.	R	9	48
Cas'b'ca	S	16	61	N York†	F	−2	28
Cape T.	S	23	73	Nice	S	16	61
Chicg.†	C	−3	27	Nicosia	S	13	55
Cologne	R	9	48	Oporto	S	12	54
Cpnhgn.	F	7	45	Oslo	S	5	41
Corfu	F	13	55	Paris	C	10	50
Denver†	F	5	41	Perth	S	37	97
Dublin	C	11	52	Rykjvk.	S	−5	23
Dbrvnk.	F	13	55	Rhodes	S	13	55
Ednbgh.	C	9	48	Rio J'o†		—	—
Faro	S	18	64	Rome	C	12	54
Florence	Fg	10	50	Salzbrg.	C	7	45
Frankft.	C	10	50	S'cisco†	C	7	45
Funchal	F	17	63	S'tiago†		—	—
Geneva	S	12	54	Stckhm.	S	3	37
Gibrltr.	S	16	61	Strasbg.	C	12	54
Gl'sg'w	R	8	46	Tangier	S	16	61
G'rnsey	C	9	48	Tel Aviv	F	13	55
Helsinki	C	1	34	Tenerife	S	19	66
H. Kong	R	15	59	Tokyo	S	12	54
Innsbrk.	S	7	45	T'rnto†	F	−11	12
Invrnss.	C	7	45	Tunis	F	17	63
I.o.Man	C	9	48	Valencia	S	18	64
Istanbul	F	8	46	Venice	S	4	39
Jersey	C	9	48	Vienna	C	12	54
Jo'burg	S	29	84	Warsaw	C	6	43
L. Pims.	S	19	66	Zurich	C	10	50

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet.

THE LEX COLUMN

Body blows for John Brown

The emergence of a full interim statement from John Brown marked, in more than one respect, a watershed for the company. It also left the City accustomed only to approximate full-year forecasts at this stage, somewhat disorientated. After dipping 2p on the announcement, the shares recovered to show a 2½p gain on the day at 21½p.

The long-awaited statement is uncomfortably short on detail, although it is clear that interest charges accounted for more than all the £9.4m pre-tax loss reported for the six months to September. In the same period of 1981, Brown made £1.2m pre-tax. Both the industrial products and engineering and construction divisions were profitable before interest debits. A loss of around £9m is expected for the full year, although any appreciation of sterling against the dollar would mitigate the deficit by reducing the sterling cost of U.S. debt.

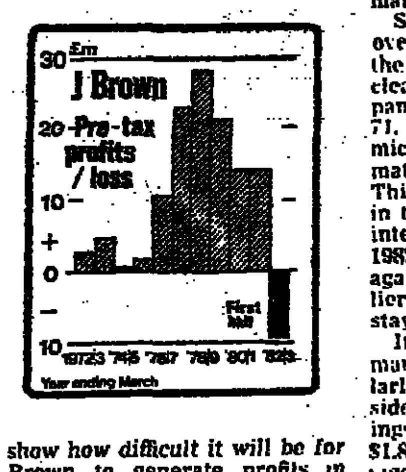
The real focus of concern, however, is not with the revenue account but with the balance sheet. Brown has charged £16.9m below the line in the first half suggesting that published net worth at the year-end will total around £87m, assuming a neutral currency effect and the absence of revaluations.

Set against this will be a pile of U.S. dollar term debt, equivalent to about £100m at current exchange rates, a further £15m of sterling term loans and a "modest" quantity of net short term borrowings. On a fairly conservative assumption, net debt will be equivalent to around 1½ times shareholders' funds at the year-end.

The company pronounces itself unalarmed about this situation and, indeed, remains belligerent and defiant in the face of outside criticism. The stock market, which values the shares at roughly one third of book net worth, appears to take a different view. The structure of the debt is admittedly loaded towards term facilities but its sheer magnitude is highly unsatisfactory, particularly for a company so heavily involved in cyclical capital goods and contracting, where cash flows are inevitably uneven.

The group is confident that it has now stemmed the cash outflow and that extraordinary debits are behind it. But the 15 per cent decline in order intake experienced in the latest half year in industrial products, coupled with the present famine of new process plant orders,

Index rose 8.4 to 620.0



show *how difficult it will be for* Brown to generate profits in coming years.

Even allowing for the effects of rationalisation and for a reversal of the recent working capital bulge, it is hard to see how Brown can trade its way back to prosperity. And last year's property revaluation will make it no easier to dispose of assets at a book profit without stripping the company of its best businesses. Over £40m has been charged below the line in the past three years, the bulk of it in machine tools, which gives some idea of the structural nature of the problem. Against that background, the chairman's statement yesterday that he had not ruled out the possibility of a final dividend payment was nothing less than astonishing.

General Electric

General Electric's dalliance with the fashionable 1970s cult for natural resource businesses is well and truly over. Its agreement to sell most of Utah International to Broken Hill Proprietary will be followed by further small divestments, leaving it with only a rump of the activities which earned it $247m net last year. GE is now pursuing the new cult—though one closer to its heart—of new technology.

Wall Street responded enthusiastically to the deal *yesterday, pushing GE's shares* up $4¼ in the morning session to a new high of $100¼. This reaction had far more to do with GE's strategy than with the terms of the deal, under which the U.S. group will be receiving $2.4bn against an acquisition price of around $2.2bn—paid out all of six inflation-packed years ago. What the market is now looking for is a faster move into electronics related activities on the lines already mapped out by its new management.

Since Mr Jack Welch took over as chairman two years ago, the group has put down some clear markers, selling 118 companies and acquiring another 71, with a heavy emphasis on micro-electronics, factory automation and computer design. This has all been achieved within the cash resources generated internally. Liquid funds at the 1982 year end stood at $2.6bn against $2.5bn 12 months earlier, while long term debt had stayed steady at $1bn.

In a slack market place for many of its products, particularly on the consumer goods side, GE pushed up net earnings by 10 per cent in 1982 to $1.8bn, partly through its vigorous attack on overheads and in the current year it looks to be well capable of funding planned capital expenditure of *$1.7bn from cash flow. But the* addition of the Utah cash, due to come through in about six months time, will clearly put it in an even stronger position to go acquisition hunting, most possibly in what the group calls the "megamarket" of factory automation. It has not gone unnoticed that Westinghouse recently bid for pole position in this market with its offer for Unimation.

Oil shares

The FT-A Oils Index is now back, relative to the market, to where it stood three months ago. Oil price worries have taken all the steam out of the earlier rally and the stock market must now be discounting a cut in official prices to $30 or below.

The *effect of price reductions* will fall very unevenly across the sector. The North Sea producers will be among the hardest hit. The Britoil price of 49p last night probably discounts an oil price of around $20, although it also reflects a weak technical position as investors shudder at the prospect of a 115p call in early April and seek to establish tax losses for the current fiscal year.

The UK mjors may see some temporary benefit from a shift in profits towards their downstream operations, where they have abundant tax shelter. In the current climate, however, product prices may not take long to fall into line and the fall in the sterling price of oil—from what is presently its highest level ever in the North Sea—will deprive them of stock profits.